

Issaquah TDR Market Analysis

HEARTLAND

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EXECUTIVE SUMMARY**Overview**

Heartland was engaged to assist the City of Issaquah with evaluating the market for TDRs as part of proposed revisions to the land use code for the Central Issaquah Subarea (CIP). This involved first developing a recommended base Floor Area Ratio (FAR) to be allowed as-of-right under the new code.¹ From there, we examined the increment available between the base FAR and the max FAR, and looked at the application of Transferrable Development Rights (TDR) as the primary mechanism by which to achieve this additional density.

Base FAR

To determine necessary base FAR, Heartland developed a financial model that solved for residual land value in excess of current land values in the Central Issaquah Marketplace. Based on recent land sales, we determined this “hurdle value” to be in the range of \$30.00 to \$40.00 per square foot.

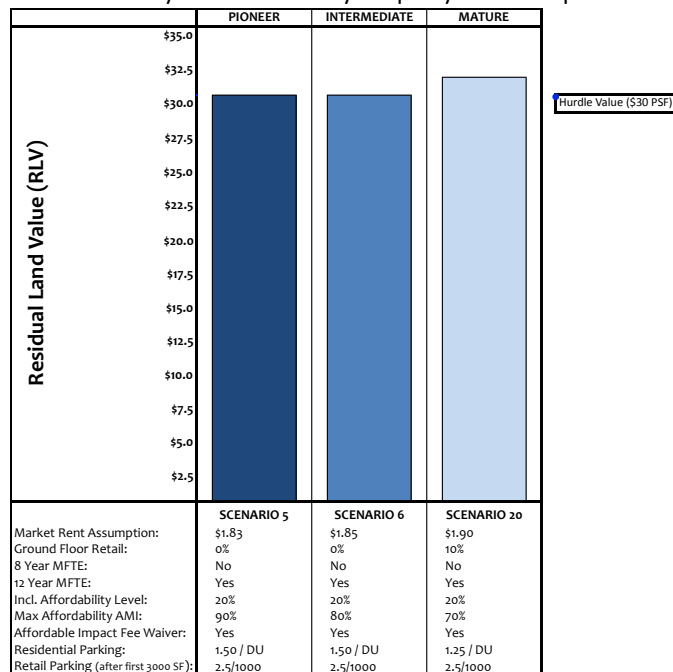
Residential

Heartland modeled a variety of different density assumptions under a range of market inputs in order to test sensitivities. Based on our analysis, the base FAR needs to be 1.70 as of right in the CIP, at least within the Urban Core. At market maturity, this level of density can support a 20 percent inclusionary affordable housing requirement at an average affordability of 70 percent of Area Median Income (AMI) if twinned with a 12-year Multi-Family Property Tax Exemption (MFTE), and still meet the threshold land value of \$30 PSF. For pioneering, first stage projects, however, rent levels will not support this level of affordability. We would recommend allowing units targeted at 90 percent AMI to satisfy the affordability requirement for the first wave of pioneering projects in each district, then ratcheting down the affordability requirement once a certain level of development is achieved in each district.

Commercial

Heartland modeled a variety of different density assumptions under a range of market inputs

in order to test sensitivities. Based on our analysis, the recommended base FAR for commercial office uses should be set somewhere between a 1.25 FAR and a 1.50 FAR, depending on the desire to see ground-floor retail uses in the earlier stages of prototype property redevelopment.



¹ FAR = Gross Building Area / Land Square Feet, where Gross Building Area = Above Grade Building Area, excluding parking (and sometimes mechanical areas); and Land Square Feet = Land Area gross of any easements, impervious requirements, surface parking, and public ROW dedication.

Minimum FAR

Determination of a base FAR prescribes how much density is allowed without charging for it. However, it does not prevent people from underbuilding relative to what is allowed by code. This is accomplished by establishing a minimum FAR. A minimum FAR indicates the City's willingness to forgo a certain level of development that is not indicative of the type of urban form they want to see engendered by the revised CIP zoning code.

Should the City desire to establish a minimum density requirement, we recommend this be set above what is achievable by relying entirely on surface parking, and below the density achievable by relying entirely on wrapped or structured parking. Based on our analysis, this equates to a 0.75 FAR for residential development and 0.50 FAR for commercial development.

Maximum FAR

Heartland analyzed the density achievable based on the maximum zoning envelope prescribed by the draft development regulations, which allow a density ranging between 0.5 FAR – 5.0 FAR depending which of the six (6) zones a property is located in. In multiplying the area encompassed by each zone and the maximum density allowed in each zone, we determined the weighted average max density across all 758 acres in the CIP (net of Rowley's properties, which are not subject to the CIP code) to be 3.74 FAR. For the 204 acres considered to have redevelopment potential over the 30-year planning horizon, the weighted average max density increases to 4.04 FAR.

However, the zoning allowed by the draft regulations is not actually attainable given market inferences as to parking counts, unit sizes, and the like. This reduces the practical weighted average max density to 2.70 FAR across the entire CIP, and 2.86 FAR for the redevelopable properties.

Incremental FAR

With the base FAR and maximum FAR determined, calculating the incremental FAR, or bonus density available for fee, is a relatively straightforward exercise. Quite simply, the incremental FAR is determined by subtracting the weighted average base FAR from the practical maximum weighted average density.

Based on Heartland's inferences as to recommended base FAR, acreage included, land use mix, and average unit size, the weighted average base density across the entire 758 acres in the CIP is 1.33 FAR. This increases slightly to 1.37 FAR when looking only at the redevelopable parcels.

When applied to the practical maximum weighted average density, this results in an incremental FAR available to be earned through fee of between 1.38 FAR (all of CIP) and 1.50 FAR (redevelopable lands only). The result when multiplying this increment by the amount of available land results in density available to be earned through fee ranging from 13.1 million building square feet (redevelopable lands only) to 45.5 million building square feet (all of CIP).

If actual growth over the 30-year planning horizon is more consistent with the EIS alternatives under consideration, then a much more moderate amount of bonus density can be expected to be seen in the CIP over the next 30 years. This is because the average FAR needed to accommodate the EIS growth alternatives is much lower than the practical maximum weighted average density. This significantly reduces the amount of FAR that would have to be earned in order to meet the growth targets.

TDR Analysis

With the base, minimum, maximum, and incremental FAR determined, we can now look at the application of TDRs as a mechanism by which achieve bonus density.

Sending Site Capacity

The City's current TDR program has an estimated 814 total potential development rights available through existing sending sites. There are an additional 75 development rights available through the City's ILA with King County, with the two municipalities currently in discussions to expand the ILA to encompass all lands within the Issaquah Creek Basin. This would increase the number of development rights available for transfer from 75 to between 542 and 1376. Across both sending site areas, then, there are between 1,356 and 2,190 TDRs available.

Receiving Site Values

Heartland researched all sales of land on the Eastside since 2000, and from this delineated the sales of parcels over an acre in size with planned development in excess of 1.0 FAR. The average land sale price for these developments was approximately \$20 per buildable square foot (BSF). Deductions to this number, to perhaps \$15 per BSF, may be warranted to further incent participation in the incentive-zoning program. This number - \$15 per BSF - forms the basis of our conclusion of value of what developers can afford to pay for land in the receiving sites at the densities contemplated by the draft development regulations.

Sending Site Values

King County's banked transaction prices for land within the Issaquah Creek Basin ("Basin") have ranged from \$25,000 to \$60,000 per TDR. This contrasts significantly with the average sale price for all properties within the Basin, which averaged \$228,500 across 108 sales going back to 2007. More recent sales of larger properties, brings this average down to a range of \$107,000 to \$131,000.

Conservation / Natural Resource Value

Heartland pulled the assessed values for properties in the Basin benefitting from the State's Open Space Taxation Act in order to determine the remainder value of properties that have had all their development rights transferred off-site but otherwise retain their bundle of property rights. Across the 145 properties benefitting from this program in the Basin, this value averaged \$914 per acre, but varied considerably depending on the designation; Designated Forest property averaged a low of \$166 per acre, while land designated Green averaged \$2,250 per acre. There was also significant variation within the averages.

Depending on the whims of the City in creating policy, these natural resource values could be deducted from the otherwise established transaction value since they remain value to be captured by the sending site property owner. Alternately, they could be ignored in determining needed exchange rates, in which case they would serve as an added incentive to the sending site owner to participate in the TDR program.

Exchange Ratio

Given the extreme variability in the sending site transaction values, Heartland recommends utilizing a floating transfer rate, where the transfer rate is determined by dividing the sending site value contract price by the amount developers can pay on the receiving end, which is a fixed value. Presuming developers can afford to pay \$15 per BSF on the receiving end for additional density, a floating transfer rate would result in the ability for developers to build one (1) additional BSF for every \$15 in sending site value. By extension, at \$100,000 in sending site value, this would result in developers gaining the right to build 6,667 additional BSF in the receiving area (\$100,000/\$15).

Floating Transfer Rates @ \$20 per BSF Receiving Area

Sending Site Value	Receiving Site Value	Transfer Rate
\$20	\$20	1
\$1,000	\$20	50
\$10,000	\$20	500
\$50,000	\$20	2500
\$100,000	\$20	5000

Floating Transfer Rates @ \$15 per BSF Receiving Area

Sending Site Value	Receiving Site Value	Transfer Rate
\$15	\$15	1
\$750	\$15	50
\$7,500	\$15	500
\$37,500	\$15	2500
\$75,000	\$15	5000

TDR Capacity to Meet Receiving Area Demand

Finally, we looked at the total potential number of TDR sending site credits to determine if there were enough credits to supply all potential bonus density available in the CIP receiving area. The results show that in looking at redevelopment of the entire CIP (net of Rowley) – 758 acres - there is more increment available in the receiving areas than there is capacity within sending site areas under consideration, thus opening the door to alternative means by which to earn bonus density, such as provision of on-site amenities or creation of affordable housing.

There are potential instances, however, where TDR could account for almost all potential bonus density in looking only at the portion of the CIP that has redevelopment potential over the 30-year planning horizon. For this to occur, however, there would have to be an extremely robust level of participation in the TDR program, on the level of 100 percent of eligible owners participating. Given the unlikelihood of this occurring, it makes sense to enable other mechanisms through which developers can earn additional density above the base.

Conclusion

Given our recommendations as to minimum, base, maximum, and incremental FAR, there is both significant density to be gained in the CIP through creation of an incentive zoning system and capacity to accommodate the twin objectives of land conservation and affordable housing.

In the near term, assuming actual growth is more consistent with the EIS alternatives under consideration, then a much more moderate amount of bonus density can be expected to be seen in the CIP over the next 30 years.

Regardless, having an incentive zoning system is an important and valuable construct as it enables the City to balance nicely in one package what could otherwise be competing objectives of economic development, land conservation, and affordable housing, while addressing community concerns that a new code not result in a huge windfall for developers and eliminate the ability of the code to support desired public benefits.

I. BASE FAR

BASE FAR - OVERVIEW

In setting the base FAR, both regulatory and market factors bear consideration. On the regulatory side, maximum allowed height, FAR limits, restrictions to impervious surface area, and setbacks all serve as limitations on bulk and massing. This means that the same FAR can be attained through different combinations of these factors.

On the market side, unit sizes, parking counts, circulation loss, and, for residential, practical upper level lot coverage all impact achievable bulk and massing.

Site Context

The Central Issaquah Planning area (“CIP”) consists of the 900-acre commercial area on either side of I-90 as it passes through the City. The area today is very low-density in nature, predominated by large-format retail centers, suburban office buildings, and extensive surface parking. Only 10 percent of the buildings are three or more stories in height, and the density across all the CIP averages just 0.25 Floor Area Ratio (FAR).²

The plan being developed for the CIP endeavors to foster redevelopment from a collection of suburban strip malls to a cohesive town center. The general vision for the sub-area is one of higher density, vertically mixed-use development that is pedestrian-oriented in nature.

Residual Land Value (RLV)

The key decision-making metric we used to determine the “as of right” zoning needed, was if our financial analysis resulted in a Residual Land Value (RLV) in excess of current land values in the Central Issaquah marketplace. Residual Land Value (RLV) is the price a buyer is able to pay for the land and meet required profit / return expectations. It is based on the premise that land derives its value from the fact that it is a necessary input or factor of production. People are willing to pay for land not because it has any intrinsic value, but because of what it can be used for. The RLV is the amount leftover (the residual) after accounting for all other factors of real estate development (revenues minus costs and required profit) and thus represents what a developer could afford to pay a landowner for property.

If the developer cannot afford to pay the landowner as much or more for the property as its value based on other uses of the land, then the developer’s intended project is not the “Highest and Best Use” (HBU) for the property.³

Current Land Value as Hurdle Value

The first step in the process is to determine some baseline of current land values in the CIP, as this creates the hurdle value that the redevelopment scenario must outperform. Land values are informed by sale comparables, which fall into one of two buckets, either a value as vacant (assuming the property was bought for redevelopment), or a value as improved (valued based on the present value of the income stream of the current use, given a required yield, referred to as a capitalization rate).

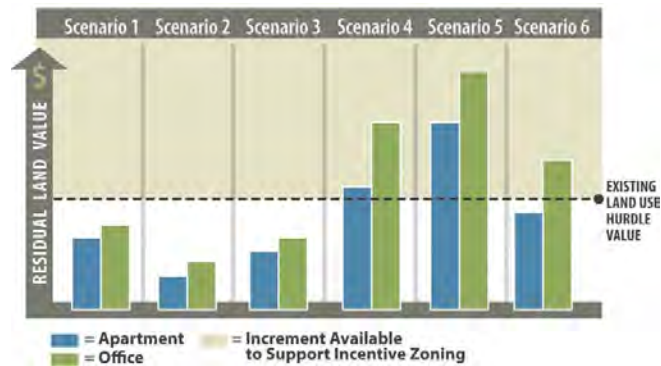
Sale prices for the 11 “as vacant” land sales that have occurred in Issaquah since the recession have ranged from \$25.00 to \$35.00 per square foot (“PSF”), with a median value of \$30.00 PSF (see [Exhibit A](#)).

² FAR = Floor Area Ratio. It is equal to the **gross building area** divided by the **land square feet**, where the **gross building area equals** the above grade building area (excluding parking and sometimes mechanical areas), and **land square feet** equals land area gross of any easements, impervious requirements, surface parking, and public ROW dedication.

³ HBU is a fundamental concept of appraisal. It asserts that the use that yields the highest present land value, after accounting for labor, capital, and coordination is the “HBU.”

At the same time, most of the property in the CIP is already built out with income producing uses, which include strip- and large-format retail centers, flex-tech manufacturing facilities, storage buildings, and multi-level office space, among other uses. Clearly, the value of these properties based on their current income can vary considerably, depending on the assumptions made as to rent; vacancy, expenses, and investor yield expectations used. We performed a simple proforma analysis on a handful of prototype properties that encompass the range of typical land uses in the CIP today, and came up with a value range based on current income of \$4.00 PSF to \$58.00 PSF in equivalent land value, for an average value of \$40.00 PSF in equivalent land value (see **Exhibit B**).

These two approaches serve to frame our hurdle rate at a range of \$30.00 to \$40.00 PSF. Of course, not all landowners have the same motivations; some landowners may be incented to sell property at a price below what would seem to be supported in the marketplace, perhaps because of distress, while others have no interest in selling land no matter how economically compelling an offer may be. Therefore, a scenario that results in a RLV of at least \$30.00 PSF cannot guarantee the market will outbid the value of a site based on its current use and purchase it for redevelopment; this reality is compounded by the fact that RLV analysis entails making inferences about a range of assumptions, and thus the results may or may not be indicative of the true costs to develop a specific site for a given developer and the commensurate value that would result. What we can say is that our hurdle rate range of \$30.00 to \$40.00 PSF provides a reasonable general expectation of where redevelopment values would need to be for an average parcel in the 900-acre CIP in order for a redevelopment scenario to be generally competitive with existing land values.



BASE FAR - RESIDENTIAL SCENARIOS

Methodology

For the purposes of determining a base FAR that supports redevelopment, Heartland only modeled for-rent residential uses. There are a number of reasons we did not analyze a condominium scenario:

- There is currently a lack of available credit for new condominium construction, and there is not clarity as to when this might change;
- The majority landowner in the CIP, and the one with largest massing of property with near-term redevelopment potential, historically does not sell property; this is significant as there are almost no examples of condominiums being successfully marketed when built on leased-land;
- On paper, the economics of condominium development are usually much stronger than for apartment development, however the code is agnostic to form of ownership and needs to work for both housing types; and
- Most importantly, the CIP is not a proven market for high-density stacked-flat housing right now. Heartland's experience is that successful catalyst projects in fledgling markets are almost always for rent, which allows potential buyers to test out the market before making a significant commitment to the area.

The residential uses envisioned by the City and embodied in the Central Issaquah Task Force recommendations are for mid-rise, high-density, stacked-flat residential uses.⁴ While abundant throughout the Puget Sound, this type of stacked-flat product is not currently available for rent in Issaquah. The fact that most of the product in the City is older and is of garden-style variety means that current rental rates in Issaquah set a minimum floor for new product but are not a very useful indicator of maximum achievable rents. Thus, comparables were selected from three proximate cities on the Eastside: Mercer Island, Bellevue, and Renton.⁵

Of course, the key difference between Issaquah and those cities is that where these prototype properties exist, there also exist amenities to support high-density living and make it a desirable housing choice. Thus, in using rents from these projects in other jurisdictions, we are also assuming a similar set of amenities are in place in the CIP, or at least in certain pockets of districts where residential is to be encouraged. Foremost among these amenities would be street improvements consistent with a "Complete Streets" policy and accessible open space for both passive and active recreation.

Instead of making an inference about the future point in time as to when these amenities will be in place, and inflating \$2012 rents, expenses, costs, and hurdle values accordingly, we instead look at RLV statically, using \$2012 rents, expenses, and costs, and thus making the assumption that relations between rents, expenses, and costs will remain constant going forward.

Inputs**Rents**

The comparable projects selected from Bellevue, Mercer Island, and Renton have average rents ranging from \$1.68 PSF for the Renton comps to \$1.92 PSF for the Bellevue comps, with Mercer

⁴ For the purposes of this analysis, mid-rise stacked-flat construction is considered to be 4-7 stories (3-5 stories of wood-frame construction atop a 1-2 story concrete podium). Taller residential building heights generally require a switch in construction type to either light-gauge metal framing with thin concrete decks, or steel-reinforced concrete post-tension slab, either of which usually sinks project economics in fledgling residential markets. International Building Code (IBC) requirements for fireproofing limit wood frame construction to 4 stories (either standalone, or on top of either one or two floors of concrete). Some cities (Seattle, Tacoma, Bellevue) have modified the IBC to allow 5 stories of wood frame construction based on approval from the fire marshal, and typically with some other fireproofing requirements.

⁵ Another seemingly obvious candidate, Redmond, was excluded because the City's inclusionary affordability requirement artificially skews rents downward and therefore weighted average rents for Redmond properties do not represent true market-rate rents.

Island comps coming in very close at \$1.89 PSF. Giving equal weight to all three jurisdictions results in an average rent of \$1.83 PSF, and becomes our baseline model assumption (see [Exhibit C](#)).

Operating Expenses and Other Income

Dupre and Scott Apartment Advisors served as the source for most of our data on expenses and other income items (see [Exhibits D and E](#)).

Construction Costs

For construction costs, we relied on primarily on RS Means and supplemented this with input from industry professionals. The “hard cost” input being used in the model includes contractor profit, overhead, contingency, and sales tax (see [Exhibits D and E](#)).

Additionally, we assume site development costs at \$20.00 PSF of developable site area, which accounts for pilings, TESC, grading, stormwater detention, utilities extensions within the site, sidewalks, landscaping, and irrigation.⁶

Unit Size and Mix

Unit sizes across the nine comparable properties ranges from a low of 568 SF at the Sanctuary to a high of 1,116 SF at The Mercer. The weighted average unit size across all nine projects is just under 800 SF; this was the assumption we used in our analysis (see [Exhibit C](#)).

Based on the comp set, we relied on a unit mix of 15 percent studios, 40 percent one-bedrooms, 40 percent two-bedrooms, and 2.0 percent three bedrooms. Because of our reliance on a weighted average unit size, the unit mix really only became relevant in analyzing an inclusionary affordability requirement (see below).

Absorption

We are assuming that residential development will occur phases right-sized to achieve full lease-up within 12 months, as consistent with industry practice. Therefore, there is no present value adjustment made to the rental revenue.

Parking Count

Instead of using the parking standards proposed by the City in the draft code, we assumed an average parking ratio range of 1.25 to 1.50 stalls per unit, which is also in the range of the parking ratios witnessed across our comp set (see [Exhibit F](#)). This is generally higher than the proposed standards, which is as it should be. Developers never want to be required to build more parking by code than they feel is otherwise warranted by the marketplace.

Building Massing and Height

Building heights of 40 feet or less are problematic, as they tend to push clear heights per floor down to a level below market expectations. For example, when ground-floor retail uses are included, the first floor finish height needs to be at least 13 feet in order to create desirable retail space. This leaves only nine feet per floor for the remaining three floors, resulting in a clear height of approximately eight feet. Additional height is still needed for mechanical equipment and other supporting systems that do not result in more gross leasable area. Setting the building height at 45 feet allows more flexibility to be responsive to market conditions without increasing effective density; if desired, a story limitation can be coupled with other bulk and massing

⁶ High groundwater levels throughout portions of the CIP make soils susceptible to settlement and liquefaction and thus causes the need for pilings. It may be that some sites will not require piles, however given indicated soil types for much of the properties previously identified as redevelopable, we think it fair to load these costs into the financial model as a standard assumption that applies to all sites.

restrictions. The alternative is to sacrifice a floor and its commensurate rental income in order to provide industry-standard finish heights, but this rarely pencils economically. The rationale is similar for 55 feet versus 50 feet, and is thus the reason we looked at 45-foot and 55-foot heights only in our modeling.

As to our model, we take the massing allowed by the vertical (height) and horizontal (impervious lot coverage) envelopes and determine the commensurate building envelope allowed by the vertical and horizontal restrictions, expressed as an FAR. This means that parking is provided entirely through a parking podium, consisting of one level of at-grade parking and a partial-to-full (depending on scenario) second level of structured parking. The residential use then sits atop this parking. In instances where ground floor retail uses are provided, they wrap the at-grade level of parking, driving more of the parking to the second level.

Retail Uses

We modeled scenarios both with and without ground floor retail included. For scenarios that included ground floor retail, we assumed this to be equal to 10 percent of the first floor building footprint, with half the retail comprised of restaurant/bar/café-type uses and the balance comprised of general-purpose retail. Since the proposed code assumes the same parking ratio for both types of uses, this distinction was really only relevant as it related to impact fees.

Entrepreneurial Return

We used a weighed average cost of capital (WACC) in order to determine the entrepreneurial return required to appropriately incent a developer. For residential uses, we assumed a 65/35 debt to equity ratio and assumed the cost of debt at 5.0 percent and the required return on equity to be 10 percent. This equates to a WACC of 6.75 percent, including a return on land. We then adjust for this in recognition that a RLV model solves for land (and thus it is not a cost included in our model), settling on a required profit margin without land of 7.9 percent (see [Exhibit G](#)).

Inclusionary Affordability Requirement

We were asked by ARCH to analyze the addition of an inclusionary affordability requirement for residential uses within the CIP. Heartland assumed that any inclusionary affordability requirement would be coupled with a 12-year Multifamily Property Tax Exemption (MFTE) in order to facilitate its development. Per the state-enabling legislation, to qualify for the 12-year MFTE, a property must set aside at least 20 percent of its units for rent by low- and moderate-income households.⁷ The state-enabling legislation makes available an 8-year MFTE for projects that do not provide an affordability component. Because the MFTE is not perpetual, we calculate the present value of this future benefit, using a discount rate of 5.0 percent. Additionally, we assume the impact fees for the affordable units to be waived (for example Area Median Income [“AMI “] calculation, see [Exhibit H](#), which shows descending levels of affordability starting from market rents of \$1.83 PSF).

Results

We modeled scenarios starting at a 45-foot height limit and 85 percent impervious allowance increasing to a 45-foot height limit with a 100 percent impervious allowance. We then looked at sensitivities within these scenarios around the amount of ground floor retail space included, inclusionary affordability requirements, MFTE scenarios, and base rent assumptions. [Exhibit I](#) shows the results of our analysis. The scenarios modeled resulted in a density range between 1.46 FAR and 1.97 FAR. The cells highlighted in mint green show instances where the land hurdle value of \$30.00 PSF is met or exceeded.

⁷ Engrossed Second Substitute House Bill 1910. “Low-Income” means adjusted income at or below 80 percent of the median family income; “Moderate Income” means adjusted income between 80 and 115 percent of the median family income. For High Cost Areas, these thresholds are increased to 100 percent for Low-Income and 150 percent for Moderate Income.

Base Rents \$1.83 PSF

- Parking Ratio of 1.50 Stalls / Unit: Based on the supported base rents of \$1.83 PSF, there is only one supported instance where redevelopment values exceed the hurdle threshold at an 85 percent maximum impervious allowance; this occurs with the addition of an inclusionary affordability requirement of 90 percent AMI for 20 percent of the units, and with it a 12-year MFTE. The hurdle value threshold is achieved at an FAR of 1.58 for projects without ground floor retail included (Scenario 5). As permitted density increases, so too do the instances where the threshold value is achieved; occurring in two instances at 90 percent impervious allowance (Scenarios 15 and 18), and in three instances at 100 percent impervious allowance (Scenarios 25, 26, and 28). Note that all these scenarios require the 12-year MFTE tool to be pegged to a non-stringent level of affordability (80 – 90 percent).
- Parking Ratio of 1.25 Stalls / Unit: Based on the supported base rents of \$1.83 PSF, there are two instances where redevelopment values exceed the hurdle threshold at an 85 percent maximum impervious allowance; in both instances it involves a 12-year MFTE when 20 percent of the units are made affordable to those making no more than 90 percent of AMI. The hurdle value threshold is achieved at an FAR of 1.66 for projects with ground floor retail included and 1.68 FAR for those without (Scenarios 35 and 38). Note the lower parking ratio assumption allows more of the above-grade building envelope to be dedicated to leaseable area, which is why the FAR is slightly higher at 1.25 stalls/unit versus 1.50 stalls/unit. Overall, there are nine instances where the threshold is met or exceeded; this occurs in three instances at 90 percent impervious allowance (Scenarios 45, 46, and 48) and in four instances at 100 percent impervious allowance (Scenarios 55, 56, 58, and 59). All scenarios still require the 12-year MFTE tool to be pegged to a non-stringent level of affordability (80-90 percent).

Base Rents \$1.85 PSF

- Parking Ratio of 1.50 Stalls / Unit: When the rent assumption is increased by \$0.02 to \$1.85 PSF, almost of all permutation scenarios modeled meet or exceed the hurdle value. This small rent increase underscores how sensitive performance is to going in rent assumptions. Small increases in the rent assumption PSF, when multiplied by the unit sizes and unit count, has a significant impact on bottom line value. This is especially true considering that our expenses are fixed at \$5,300 per unit in the model and do not escalate. While there are still no instances where redevelopment pencils without some kind of MFTE in place, we see one instance where this can be achieved through use of the 8-year MFTE alone; at an FAR of 1.86 for projects without ground floor retail (Scenario 22). At these higher market rents, the project can now afford to take on a higher affordability requirement of 80 percent AMI for 20 percent of the units along with the 12-year MFTE (Scenario 6) and still limit density to 1.58 FAR if no ground floor retail uses are included. In a project with ground floor retail, the base FAR needs to be 1.81 if pairing the 12-year MFTE with an 80/20 affordability requirement (Scenario 29).
- Parking Ratio of 1.25 Stalls / Unit: With a lower parking ratio, over half of all permutation scenarios modeled meet or exceed the hurdle value at \$1.85 PSF in rent. While there are still no instances where redevelopment pencils without some kind of MFTE in place, we see more instances where this can be achieved through use of the 8-year MFTE alone, being achieved at an FAR of 1.68 for projects without

ground floor retail, and at an FAR of 1.95 for projects with ground floor retail (Scenarios 32, 52). At these higher market rents, the project can now afford to take on a higher affordability requirement of 80 percent AMI for 20 percent of the units along with the 12-year MFTE and still limit density to less than 1.70 FAR (Scenarios 36 and 39).

Base Rents \$1.90 PSF

- **Parking Ratio of 1.50 Stalls / Unit:** When base rents are set at \$1.90 PSF, 75 percent of all permutation scenarios satisfy the required hurdle value. We come close to the threshold without offering any MFTE but still fall short of it (Scenario 21). Also at these higher rents, the inclusionary affordability requirement can be increased to 70/20 when paired with the 12-year MFTE and satisfy the hurdle value at 1.58 FAR for projects with no ground floor retail and 1.63 FAR for projects that do include ground floor retail (Scenarios 7 and 20).
- **Parking Ratio of 1.25 Stalls / Unit:** At lower parking ratios, when base rents are set at \$1.90 PSF, over 80 percent of all permutation scenarios satisfy the required hurdle value. At the same time, the 70/20 affordability requirement, when paired with a 12-year MFTE, can be met at the lowest-density scenario analyzed, even when ground floor retail is included.

Findings

MFTE

The results of our analysis show how critical a robust tax abatement is in fostering residential uses as a viable redevelopment option. An 8-year abatement alone doesn't get us there under the level of density analyzed.

Even though award of the 12-year MFTE incentive requires setting aside at least 20 percent of the units in a project as affordable to low- and moderate-income households, the benefit outweighs the cost because, at given affordability levels, the benefit of the abatement more than makes up for the small amount of lost income. The reason for this is there is not much income actually being foregone at high AMI affordability levels since the market-supported rents of \$1.83 PSF translate to 84 percent of AMI.

The MFTE is a powerful incentive that creates an appropriate nexus between reward and performance. It has proven attractive to other cities both because it provides a real incentive to developers and because it requires no actual cash outlay by cities, only a commitment to forego a portion of property taxes for a given period of time. These are taxes that arguably would not otherwise materialize without the MFTE incentive in place, since redevelopment does not pencil without the abatement.

Waiver of Affordable Housing Impact Fees

As previously mentioned, we have assumed that the impact fees associated with any inclusionary affordable units are waived. Unlike the MFTE, it is our understanding this incentive requires an actual cash outlay from the City, as by law any waived impact fees for the benefit of a given party must be made up through other funding sources, typically a city's general fund. While this incentive was helpful, it contributed far less toward satisfying the hurdle value than the MFTE, typically increasing RLV by only \$2.00 to \$3.00 PSF. Thus, excluding this as a policy consideration would change our findings only slightly.

Ground Floor Retail

One outcome of our analysis is that the inclusion of ground-floor retail not only results in slightly lower density compared to scenarios without retail but also a lower RLV. There are two main reasons for this:

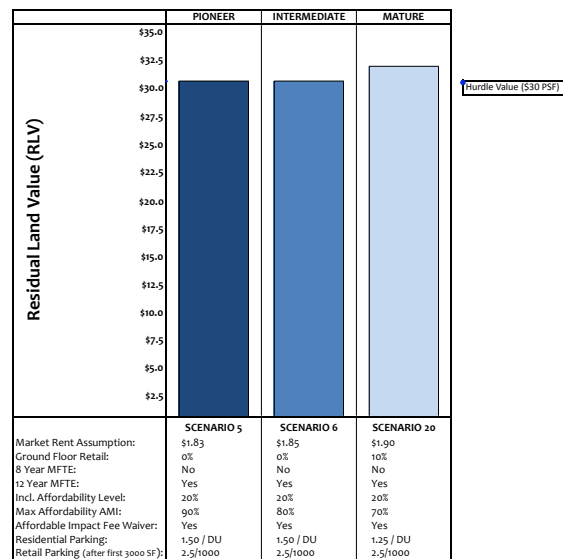
- **Parking:** At a parking ratio of 1.0 stall for every 400 square feet, the ratio for retail is higher than it is for residential (which at a ratio of 1.5 stalls per unit and an average unit size of 800 SF equates to 1.0 stall for every 533 square feet of residential area). Given the same building envelope whether or not retail uses are included, and dedicating more area to parking, results in less gross leasable area. It also drives up costs because more of the parking must be provided in a second-story structure, which costs more than providing the parking under the building but at-grade.
- **Value:** Even though the assumed retail rent is much higher than the equivalent residential rent (\$26 NNN PSF/yr. equates to \$2.17 per month, versus \$1.28 PSF/yr. NOI for residential at \$1.83 PSF face rents and a 30 percent expense ratio), the required yield, or cap rate on retail uses is much higher, translating to a lower overall value for the retail compared to the equivalent area being dedicated to residential.

Recommendations**MFTE Policy, Pioneer Incentives, and Market Maturation**

The arrival of \$1.90 PSF rents represents a mature rental market in Issaquah. It is reasonable to assume that maturity will also succeed in driving down parking averages to 1.25 stalls / unit. In such an environment, the \$30 hurdle value could almost be achieved with no MFTE in place (Scenario 31) and is easily achieved with the introduction of an 8-year MFTE program (Scenarios 32, 34). At a 1.25 Stall / DU parking ration, a 12-year MFTE program could support an inclusionary affordability requirement where 20 percent of the units averaged 70 percent AMI, even with ground floor retail uses (Scenario 40). This would set the base FAR for the CIP at 1.66, rounded up to 1.70, and with it, a 45-foot height base height limit and an 85 percent impervious allowance.

That being said, it is important to recognize that in the target rent ranges we think are feasible in the early stages of CIP buildout, there is a defined need to provide a 12-year MFTE and tie it to a very non-restrictive level of affordability for the first set of pioneering projects. Based on our analysis, we would recommend allowing units targeted at

90 percent AMI to satisfy the affordability requirement for the first wave of pioneering projects in each district, then ratcheting down the affordability requirement gradually to 70 percent AMI once a pioneer threshold of development is achieved in each district. The density required at this pioneer stage of activity would not need to increase; the base FAR for the CIP would still be 1.70 (1.67 rounded up, based on Scenarios 15 and 18), however the impervious allowance would need to be relaxed slightly - to 90 percent – to accommodate the same density given our assumption the market will want to park projects at 1.50 stalls /unit.



This approach would best align the twin objectives of encouraging both market-rate residential development and affordable housing, and would enable market-rate rents to subsidize more restrictive levels of affordability over time as the residential first becomes an established use in the CIP and then becomes a proven, mature use.

Selecting a “Pioneer Threshold” is more art than science, however it only takes one decently-sized, viable project to prove market demand within a district and draw additional developers to the table. At the same time, the 900-acre CIP is unlikely to function as one market for the purposes of catalyzing residential development given likely limited public funding available to provide the amenities needed to support our base rent assumptions. One approach would be to divide the CIP into four quadrants, depending on whether a parcel was inside or outside the Urban Core and whether it was north or south of I-90. Within each of these quadrants, perhaps the first two projects or first 200 units would qualify as “Pioneer,” and any projects that come after that would have to meet a more stringent level of affordability. Analysis would suggest allowing a second wave of pioneer projects to meet an 80 percent AMI affordability level in qualifying for the 12-year MFTE (Scenario 6) on the premise that rents are unlikely to jump from \$1.83 (\$2012) to \$1.90 (\$2012) with the completion of just one or two projects.

Base FAR

Setting a policy around the MFTE is necessary to inform what the commensurate base FAR needs to be. Using our recommendations, base residential density could be set as low as a 1.67 FAR with a 12-year MFTE in place. If no MFTE were to be offered, the base FAR would need to be significantly higher, so much so that there would likely be little room for bonus density to be awarded through an incentive zoning program, considering most of the proposed Task Force zones have a maximum FAR of 3.0. This is compounded by the fact that achieving higher FARs would generally require a shift to a Type-I, high-rise construction classification, something that will not be supported in the CIP for a considerable period of time, depending on the success of the mid-rise projects that will necessarily precede them in establishing the market.

Ground Floor Retail

Our analysis shows ground-floor retail to be handicapped relative to commensurate retail-free scenarios. However, successfully achieving the vision for the CIP will require development of ground-floor retail uses. Clearly, designating where these residential uses will be required and/or encouraged needs to be done carefully and in recognition that (i) it should be focused along key streets and not required in the whole CIP; and (ii) that ground floor retail uses are unlikely to emerge within the first wave of development.

As we mentioned, the performance of scenarios that include ground-floor retail are hampered both by less capacity within the same zoning envelope and by lower value per equivalent square foot. One way the City can influence this outcome is to allow a larger building envelope when retail uses are included in the ground floor of a residential development. It is not enough to exempt the FAR associated with the retail; considering the impact of parking counts on gross leasable area as mentioned above, a larger total area is needed to make the retail and non-retail scenarios equivalent in RLV. To further encourage ground floor retail uses, the City can influence the value equation by waiving associated impact fees, waiving permit fees, qualifying projects that include retail with a less restrictive level of affordability in order to earn the 12-year MFTE, and streamlining permitting for projects that include ground floor retail. These incentives can all be offered on a temporary basis and reviewed periodically to analyze their efficacy in achieving desired results.

BASE FAR - COMMERCIAL OFFICE SCENARIOS

Methodology

As with residential uses, the vision for future office space in the CIP is for mid-rise, high-density space that minimizes the visibility of parking, preferably through structured and wrapped, at-grade parking. Unlike for the residential scenarios, however, there are some existing examples within the CIP that approximate the desired prototype:

- *Rowley Properties' John L. Scott Building* uses a blend of surface and wrapped, at-grade stalls to satisfy parking requirements. Constructed in 2007, the building is designed of high-quality materials and achieved a LEED-Gold designation by the USGBC in 2008. Parked at roughly 3.5 stalls per 1000 SF (3.5/1000), the result is a 0.47 FAR.
- *The HighMark Medical Center* constructed in 2010, also uses a blend of surface and wrapped, at-grade stalls to satisfy parking requirements. This building also achieved a LEED-Gold designation from the USGBC, in 2011. HighMark is also parked at roughly 3.5/1000 for a resulting site density of 0.46 FAR.
- *Issaquah Medical Center* is currently under construction on the former Zetec property, the future Issaquah Medical Building will provide the vast majority of its parking in a two-level parking structure, with one level at-grade. This structure will form the podium atop which the building itself will sit. With 213 total stalls and a gross building area of 47,700 square feet, the building will have a parking ratio of 4.5/1000 and a site density of 0.55 FAR.

While these buildings generally still rely on surface parking to meet parking demand, and thus do not achieve the level of density desired for the CIP to make it more walkable and pedestrian friendly, they do show a precedent trending in a positive direction for the future development of office space in the CIP. At the same time, it should be recognized that all of these buildings are being / were constructed under the current code in place for the CIP, with its restrictions on allowed impervious surface area and building height.

The existence of said examples suggest the lack of amenities today within the CIP is less of an impediment to successful office development than it is to successful residential development. This, combined with current asking rents for other prototype examples along the I-90 Corridor would suggest using the same logic as applied to our residential scenarios - of simply plugging those rents into our proforma – to be a sound approach for the key base revenue input in determining RLV. The problem with this approach is that the market is currently depressed for office space regionally, and therefore landlords have been dropping rents to keep buildings full, such that on the whole, current asking rents are insufficient to justify new construction. Therefore, unlike with our residential scenarios, we do have to make some inference about timeframes for a rebound in rents and then allow for a commensurate inflation in construction costs.

Inputs**Rents**

Pacific Real Estate Partners pegs the current Full Service (FS) asking rent for Class A office space along the I-90 corridor at \$32.00 PSF.⁸ Assuming operating expenses would account for 20 - 25 percent of these rents, this equates to a triple net rent (NNN) of between \$24.00 - \$25.60 PSF.⁹

⁸ Eastside Office Market Analysis, 2Q 2011, Pacific Real Estate Partners, p. 5.

⁹ Full Service rents include all expenses. Typically, expenses run 20 - 25 percent of the lease rate for new buildings, and 1/3rd or more of the lease rate for older stock (newer buildings typically have more efficient systems and thus fewer operating expenses as a percent of total). Thus the NNN equivalent rate should equal 2/3rds to 80 percent of the Full Service rate, depending on the age and quality of the structure. Estimated annual expenses for the HighMark and John L. Scott buildings, as reported in recent leasing flyers, are \$8.00 PSF.

Rents are forecast to grow to \$35.00 PSF (FS) by 2013, and to \$38.50 PSF (FS) by 2015. Assuming operating expenses would account for 20 – 25 percent of these rents, resulting triple-net rent figures would be in the range of \$26.50 - \$28.00 PSF in 2013, and \$29.00 to \$30.50 PSF by 2015.

Construction Costs

For construction costs, we relied primarily on RS Means and supplemented this with input from industry professionals. The “hard cost” input being used in the model includes contractor profit, overhead, contingency, and sales tax.

These base hard costs are intended to provide a “warm shell,” meaning installation of HVAC units, electrical panels, the ceiling grid and lighting, sprinklers, the fire alarm system, and demising walls separating the office area from the corridors have all been completed. As such, we have assumed a lower Tenant Improvement (TI) allowance of \$20 PSF; likely less than half what it would need to be if delivering a “cold shell” to the market.

Additionally, we assume site development costs at \$20.00 PSF of developable site area, which accounts for pilings, TESC, grading, stormwater detention, utilities extensions within the site, sidewalks, landscaping, and irrigation (see *Exhibits D and E*).¹⁰

Timeframes

Given the lead-time to develop a building, a project starting construction today would likely be delivered in 12-15 months. As such, it would not require escalations to cost assumptions, and 2013 rents could be used in the proforma as the market rental rate at the time of lease-up. Therefore, we pair \$2014 rents with \$2012 construction costs, and escalate current costs by 10 percent to approximate \$2014 costs in pairing them with \$2016 rents. To be fair, we assume our hurdle value also increases by 10 percent – from \$30.00 PSF to \$33.00 PSF - to account for likely value appreciation between today and 2014 when land would need to be acquired to facilitate project delivery in 2016.

Absorption

We are assuming that commercial office development will occur in phases right-sized to achieve full lease-up within 12 months. Therefore, there is no present value adjustment made to the rental revenue.

Parking Count

Our baseline assumption is for a parking ratio of 3.0 stalls per 1,000 SF of gross leasable area (3.0/1000), consistent with the requirement in the proposed standards. To show sensitivity to this input, we also look at the impact of lower parking standards on project performance, examining parking at 2.5/1000.

Building Massing and Height

As with the residential scenarios, and for the same reasons, we looked at 45-foot and 55-foot heights only in our model.

¹⁰ High groundwater levels throughout portions of the CIP make soils susceptible to settlement and liquefaction and thus causes the need for pilings. It may be that some sites will not require piles, however given indicated soil types for much of the properties previously identified as redevelopable, we think it fair to load these costs into the financial model as a standard assumption that applies to all sites.

Retail Uses

The assumptions stated for ground floor retail under the residential scenarios were also employed for the commercial scenarios.

Entrepreneurial Return

As with the residential scenarios, we used a WACC in order to determine the entrepreneurial return required to appropriately incent a developer. In the case of commercial office, we assumed a 65/35 debt to equity ratio and assumed the cost of debt at 6.90 percent and the required return on equity to be 15 percent. This equates to a WACC of 9.75 percent, including a return on land. We then adjust for this considering we are solving for land with a RLV (and thus it is not a cost included in our model), settling on a required profit margin without land of 11.1 percent (see **Exhibit G**).

Results

We modeled scenarios at both 45-foot and 55-foot height limits (vertical constraint) at maximum impervious surface ratios of 65 percent, 75 percent, 85 percent, and 95 percent (horizontal constraint). We then looked at sensitivities within these scenarios around the amount of ground floor retail space included, reduced parking ratios, and rent increases coupled with commensurate cost increases. **Exhibit J** shows the results of our analysis. The density yield from this approach ranged from 0.91 FAR to 1.81 FAR. The cells highlighted in mint green show instances where the land hurdle value of \$30.00 PSF is met or exceeded.

In addition to taking a “top-down” approach to filling up the zoning envelope, we also looked at the density yield, given the same sensitivities, if only one level of at-grade parking was built. Referred to as the “Tucked” scenario, this “bottom-up” approach examines how much parking the developable footprint can produce, and then defines the gross leasable area based on the assumed parking requirement. The density yield from this approach ranged from 0.48 FAR to 0.92 FAR. The reason the range is much smaller than the top-down approach is because beyond 40 feet, the height limit doesn’t really serve as a governor on massing, making horizontal restrictions the only meaningful constraint on massing. The cells highlighted in mint green show instances where the land hurdle value of \$30.00 PSF is met or exceeded.

Parking Ratio of 3.0/1000**Base Rents \$28.00 PSF (NNN)**

Using the Maximized Zoning approach, based on the supported base rents of \$28.00 PSF (NNN), a projected delivered in 2014 would need to achieve a 1.24 FAR at a parking ratio of 3.0/1000 in order to exceed the hurdle value (Scenario 13). If ground floor retail uses were included, a 1.47 FAR would need to be achieved in order to surpass the hurdle value (Scenario 26).

The Tucked approach, however, returns no scenarios that exceed the land value hurdle at \$28.00 PSF (NNN) base rents and a 3.0/1000 parking ratio.

Base Rents \$30.00 PSF (NNN)

Under the Maximized Zoning approach, at an assumed rent of \$30.00 PSF (NNN) and a commensurate 10 percent construction cost increase, required density would be the same. A projected delivered in 2016 would need to achieve a 1.24 FAR at a parking ratio of 3.0/1000 in order to exceed the \$33.00 PSF hurdle value (\$2014) if no ground floor retail uses were included, and would need to achieve the same 1.47 FAR if it did include ground floor retail uses (Scenarios 45, 58).

The Tucked approach, however, returns no scenarios that exceed the land value hurdle at \$30.00 PSF (NNN) base rents and a 3.0/1000 parking ratio.

Parking Ratio of 2.5/1000

Base Rents \$28.00 PSF (NNN)

Using the Maximized Zoning approach, based on the supported base rents of \$28.00 PSF (NNN), a projected delivered in 2014 would need to achieve an FAR of less than 1.0 at a parking ratio of 2.5/1000 in order to exceed the hurdle value.

The least dense scenario shown in the exhibit is for a 45-foot height limit and a 65 percent maximum impervious allowance. This results in a \$41.19 RLV and a 1.09 FAR (Scenario 3). If ground floor retail uses were included, the required density would need to be slightly higher, at 0.92 FAR (Scenario not pictured).

Under the Tucked approach, density would need to be 0.63 FAR at base rents of \$28.00 PSF (NNN) and a lowered parking ratio of 2.5 stalls per 1,000 gross square feet if no retail uses were included (Scenario not pictured). Including retail uses would require increasing density to 0.74 FAR (Scenario 12).

Base Rents \$30.00 PSF (NNN)

At \$30.00 PSF (NNN) rents and a 2.5/1000 parking ratio, required density to achieve the hurdle value would also be lower. In this case, site yield would need to be 0.76 FAR without ground floor retail, and 0.80 FAR with retail (Scenarios not pictured).

Under the Tucked approach, density would also need to be 0.63 FAR at base rents of \$30.00 PSF (NNN) and a lowered parking ratio of 2.5 stalls per 1,000 gross square feet if no retail uses were included (Scenario not pictured). Including retail uses would require increasing density to 0.74 FAR (Scenario 44).

Looking at the results, we can see that the outcomes between the \$30.00 PSF land value hurdle (\$2012) at \$28.00 PSF (NNN) rents and the \$33.00 PSF land value hurdle (\$2014) at \$30.00 PSF (NNN) rents follow the same pattern. There is no instance where a scenario works at \$30.00 PSF (NNN) when it does not work at \$28.00 PSF (NNN). This is because the rate of escalations between revenues, costs, and hurdle values is approximately even. Therefore including the \$30.00 PSF (NNN) permutations may be more confusing than helpful.

Recommendations

Base FAR

Based on our analysis, the recommended base FAR for commercial office uses should be set somewhere between a 1.25 FAR and a 1.50 FAR, depending on the desire to see ground-floor retail uses in the earlier stages of prototype property redevelopment. This is a lower FAR requirement than the equivalent residential instance, however the vertical and horizontal constraints are nearly the same in both cases (45-foot height limit and 95 to 100 percent maximum impervious allowance). The reason for a lower FAR with office uses versus residential uses given the same zoning envelope is due to different assumptions as to floor heights between the two uses.

Changes to Parking Requirements

Examining lowered parking requirements is helpful from a sensitivity analysis standpoint. However, it would be misguided to rely on assumed parking ratios that are significantly lower than current market averages in setting a base FAR for office uses.

One could argue that current market averages are closer to 3.3/1000 or 3.5/1000 than the 3.0/1000 as-modeled baseline. However, required FAR to achieve the hurdle value at these ratios would require giving away substantially all of the potential density embodied in the proposed code, thereby locking in these parking ratios in perpetuity.

A more likely scenario would be to construct a building that contains enough parking on-site to achieve a 2.5/1000 or 3.0/1000 ratio, then to provide surface parking on an adjacent site on an interim basis that brings the parking ratio up to current market averages. This is known as a surface parking land-banking, or “shadow-platting,” approach. A similar concept involves placing projects with complementary uses adjacent to each other, such that the parking needs of both can be met through a shared pool of parking sized to accommodate peak mutual demand.

Ground Floor Retail

As with the residential scenarios, our analysis shows that RLV is always lower when ground floor retail is included than when not, all else being equal. The reasons for this, and the recommendations, are the same.

II. MINIMUM FAR

MINIMUM FAR

Determination of a base FAR prescribes how much density is allowed without charging for it. However, it does not prevent people from underbuilding relative to what is allowed by code. This is accomplished by establishing a minimum FAR.

A minimum FAR indicates the City's willingness to forgo a certain level of development that is not indicative of the type of urban form they want to see engendered by the revised CIP zoning code. Without a minimum FAR, there is nothing to stop a developer from coming in and building another entirely surface parked retail shopping center or office building. Once developed, these structures are likely to have a minimum 30-year lifecycle, thus not only removing the parcel of land upon which they sit from redevelopment potential within the planning horizon, but also creating ripple effect of reinforcing the existing land use context. This frustrates efforts to change the land use paradigm to something less auto-dependent and more pedestrian friendly.

Given the City wants to discourage new development inside the Urban Core that is entirely surface parked, the minimum FAR should logically be set above the achievable FAR that results from only using surface parking. The City currently enjoys several examples of buildings that utilize some level of structured, wrapped, or under-building parking, suggesting that market economics currently support these types of solutions, at least for certain uses.¹¹ At the same time, requiring all parking to be either in structures, wrapped, or under-building is likely too advanced for the next incremental increase in density that can be supported by market economics in Issaquah in the upcoming development cycle.

Thus, it would seem the correct minimum would be the FAR achievable with some structured, wrapped, or at-grade parking and some surface parking. Based on our analysis, this equates to a 0.75 FAR for residential development and 0.50 FAR for commercial development (see [*Exhibit K*](#)).

Another method by which to achieve the same result would be to make impervious surface allowances contemplated by the draft code available only to projects that would limit surface parking to 50 percent or less of total parking requirements.

¹¹ John L. Scott Building, Zetec Building, HighMark Medical Center, and Sammamish Park Place.

III. MAXIMUM AND INCREMENTAL FAR

MAXIMUM AND INCREMENTAL FAR

Maximum FAR

Determining the maximum FAR would seem relatively straightforward given that the maximum permitted FAR is prescribed by the draft code, which varies between 0.5 FAR – 5.0 FAR depending which of the nine (9) zones a property is located in (see [Exhibit L](#) for latest zoning code and map).

However, consideration should be given to whether the maximum permitted FAR is realistically achievable given market-based inferences as to parking counts, unit sizes, and ground-floor retail assumptions.

Data provided by the City shows the parcel acreage within the CIP net of Rowley and right-of-ways to be 758 acres. Given the amount of land area in each of the different zones contemplated, and the variability in max allowed density by zone, the maximum weighted average density across the entire CIP is 3.74 FAR (see [Exhibit M](#)).

However, the application of the parking requirements specified by the draft code, coupled with our market assumptions as to unit sizes and redevelopment land use mix, reduces the practically achievable maximum weighted average density from 3.74 FAR to 2.70 FAR across the entire CIP.

If we look instead only at the 204 acres that are redevelopable over the 30 –year planning horizon, these numbers change somewhat (for map of redevelopable parcels, see [Exhibit N](#)). Overall, the maximum potentially achievable FAR is higher – 4.04 FAR versus 3.74 FAR – because land in higher density zones is disproportionately represented by the redevelopable parcels, compared the broader CIP. Similarly, the practically achievable maximum weighted average density increases from 2.70 for the entire CIP to 2.86 FAR for the redevelopable parcels.

In calculating the practically achievable maximum weighted average density, we assume that 80 percent of the residential redevelopment in the mixed-use and urban mixed-use zones would consist of more economical Type V, wood frame construction. The International Building Code (IBC) generally limits this type of construction to five (5) levels of wood-frame product above one (1) level of concrete, resulting in a maximum height of approximately 65-70 feet. This factor results in less average density compared to what is allowed by the code.

It is worth noting that because Type V construction results in a practical height limitation for residential of around 65-70 feet; horizontal limitations to the zoning envelope cannot be made up by granting extra height, impacting the achievable FAR. Since commercial office is usually built to Type I standards (either structural steel or steel-reinforced concrete), it does not suffer from this same practical height limitation and thus gives office a code-based competitive advantage to complement its existing advantage of already being a proven existing use. Collectively, assuming market demand exists for both, these advantages will likely serve to compel development of office uses over residential ones, especially considering that office space is more valuable than residential on a \$/PSF basis.

Incremental FAR

With the base FAR and maximum FAR determined, calculating the incremental FAR, or bonus density, available for fee is a relatively straightforward exercise. Quite simply, the incremental FAR is determined by subtracting the weighted average base FAR from the practical maximum weighted average density.

Per the guidelines set forth in the City's Draft Development Regulations Matrix, the weighted average base density across the entire 758 acres in the CIP would be 1.33 FAR. This would increase slightly to 1.37 FAR when looking only at the redevelopable parcels.¹²

When applied to the practical maximum weighted average density, this would result in an incremental FAR available to be earned through fee of between 1.38 FAR and 1.50 FAR. The result when multiplying this increment by the amount of available land would result in density available to be earned through fee ranging from 13.1 million building square feet (BSF) to 45.5 million BSF.

INCREMENTAL FAR SCENARIOS

Scenario	Acreage	Max Weighted Avg FAR	Practical Max Weighted Avg FAR	Avg Base FAR	Increment	Incremental BSF	Total BSF
CIP Zoned Development Capacity - All CIP Net of Rowley	758.40	3.74	2.70	1.33	1.38	45,502,976	89,320,035
CIP Zoned Development Capacity - Heartland ID'd Redevelopable Lands	204.09	4.04	2.86	1.39	1.47	13,094,671	25,452,034

If we compare this to the level of growth anticipated by the Draft CIP EIS, the resulting incremental BSF is a bit more sobering. This is because the average FAR needed to accommodate the EIS growth alternatives is much lower than the practical maximum weighted average density. This significantly reduces the amount of FAR that would have to be earned in order to meet the growth targets.

EIS Growth Alternatives	Alt 1	Alt 2	Alt 3
Commercial	No Action	Task Force	Urban Core
Existing Development Retained	5,100,000	3,800,000	3,800,000
New Development	6,700,000	11,400,000	8,700,000
Subtotal - Commercial	11,800,000	15,200,000	12,500,000
Residential			
Existing Residential Retained			
Units	750	750	750
SF Assumption	1,200	1,200	1,200
Efficiency	85%	85%	85%
Subtotal - Existing Residential	1,058,824	1,058,824	1,058,824
New Residential			
Units	2,000	2,900	7,750
SF Assumption	800	800	800
Efficiency	85%	85%	85%
Subtotal - New Residential	1,882,353	2,729,412	7,294,118
Combination - All Development			
Existing Development Retained	6,158,824	4,858,824	4,858,824
New Development	8,582,353	14,129,412	15,994,118
TOTAL	14,741,176	18,988,235	20,852,941
Incremental BSF			
FAR Required to Accommodate in Redevelopable Area	0.97	1.59	1.80
Increment Above Base FAR	0.00	0.20	0.41
Incremental BSF	0	1,777,538	3,642,244

¹² It should be noted that the base FARs in many of the zones outside the urban core are lower than the recommended threshold based on Heartland's analysis. However this is likely an acceptable outcome given the desire to promote and incentivize redevelopment first within the urban core; by the time significant redevelopment comes to the CIP outside of the urban core, market fundamentals will have been positively influenced by development inside the urban core and required thresholds will thus likely be lower, all else being equal.

IV. TDR ANALYSIS

TDR ANALYSIS

With the base minimum, maximum, and incremental FAR determined, we now can look at the application of TDRs as a mechanism by which to achieve bonus density.

Inter-City TDR Program

Issaquah has a current inter-city TDR program that aims generally to facilitate the transfer of development rights from single-family zoned property ill-suited for development due to critical areas to property within the CIP, Talus, and Issaquah Highlands where this growth can better be accommodated (see [Exhibit O](#) for a map of the sending and receiving sites that are part of the Inter-City program). Heartland analyzed the efficacy of this program in our November 2010 “Issaquah TDR Program Evaluation” report.

Generally speaking, we found that given the high land values for single-family property within the City, the strict transfer rate of 2,000 buildable square feet (BSF) was not high enough to compel developers to use the program to receive additional density, were that something they would otherwise desire to do.¹³ The one exception to that would be TDRs from SF-E sending sites, for which the program allows a 4x multiple, meaning a developer purchasing these TDRs, would be able to build 8,000 BSF instead of just 2,000 BSF. To date, only one TDR has been purchased from the City’s bank; 24 remain available direct from the City. Across all the remaining sending sites, there is an estimated total 814 TDRs available.¹⁴

As it stands, there is little market desire to exceed the current density allowed by the code, as evidenced by recent permitted and completed projects. The City has limited means to address this issue, however a key way to catalyze a new land use paradigm is with targeted investment in public infrastructure. Foremost among this investment would be street improvements consistent with a “Complete Streets” policy and accessible open space and trails for both passive and active recreation.

Interlocal Agreement with King County and Potential Expansion

The City also has an Interlocal Agreement with King County enabling the transfer of 75 TDRs from King County lands in the Issaquah Creek Basin into the same receiving areas as designated under the Inter-City program. To date, no transfers have occurred from this rural area into the Issaquah receiving areas, although King County has purchased and banked some development rights from this sending area.

With the introduction of an incentive zoning code for the CIP, the City and County are considering expanding the population of eligible sending site areas to encompass the entire Issaquah Creek Basin (for map of the Basin, see [Exhibit P](#)).

As shown on the map of the Basin in Exhibit P, a majority of the land in the Basin is already held in public ownership and thus does not need to be targeted for preservation through a TDR program. The total population of development rights from all private property in the Basin equals 1,376 development rights. This would represent the maximum potentially available rights that could be targeted for conservation through TDR.

Within the population of land available, there is a subset that has been identified as having high priority ecological value. These are properties the County is likely to target for acquisition and banking; however, in actuality the County only has funding to purchase the rights of a portion of these priority lands. There are 542 potential TDRs captured by this high priority land, all of which would likely be certified for participation by the County upon petition by the landowner. Conversely, from discussions with the County TDR Program Manager Darren Greve, while all the private property in the Basin is eligible to apply for

¹³ Certain instances restrict the transfer rate to 1,000 BSF, making the economics even less compelling than they are at 2,000 BSF.

¹⁴ Net of Park Pointe and also does not include the 75 King County TDRs through the ILA as those are accounted for in estimations of the Issaquah Creek Basin capacity.

participation in the County's TDR program, in reality not all of them would actually qualify to be certified due to marginal ecological value.

TDR Pricing

As we mentioned in our November 2010 report evaluating the Inter-City program, the value of a TDR must be attractive to both buyers and sellers in order for a transaction to occur. The seller must get a price equivalent or superior to the value of that development right on-site, while the buyer will pay no more for the TDR than the cost of the next best alternative to achieving additional density, and is more compelled to favor TDRs as the mechanism by which to achieve additional density over other means if TDRs are the most cost effective mechanism by which to achieve that density.

Sending and receiving site values are set by the market, based on comparable sales transactions, and thus beyond the realm of the City to impact via policy changes. Therefore, the City must focus particular attention on the transfer ratio, or exchange rate (how much receiving area density one receives for each sending site TDR) in order to create a framework that will facilitate TDR transactions.

Receiving Site Values

In order to determine supportable receiving site values, Heartland researched all sales of land on the Eastside since 2000. We then isolated this data to look only at parcels over an acre in size with planned development in excess of 1.0 FAR, since the lowest base FARs contemplated by the City's draft development regulations for the CIP are in the range of 1.0 FAR. The average land sale price for these developments was approximately \$20 per BSF (the land price divided by the intended building square footage to be developed). This increases slightly to \$22.65 per BSF if all sales are escalated to present value at 3.0 percent annually (see [*Exhibit Q*](#)).¹⁵

In order to make TDRs the most desired mechanism by which to achieve additional density, they should be the most cost effective way to earn that additional density. This suggests reducing the assumed amount developers can afford to pay from \$20 per BSF down, perhaps to 75 percent of that value, or \$15 per BSF. This methodology is consistent with the strategy and ultimate outcome of the Bel-Red incentive zoning program.

Sending Site Values

King County has done three bank transactions within the Issaquah Creek Basin, at values ranging from \$25,000 per TDR to \$60,000 per TDR. A fourth transaction currently in process (as of Jan 2012) is expected to transact at around \$45,000 per TDR. All transactions consist of property at least 15 acres in size.

Generally speaking, the private property within the Basin is zoned for either 5-acre lots (RA-5) or 10-acre lots (RA-10). There are a limited number of 2.5-acre lots as well (RA-2.5).¹⁶ Heartland analyzed transactions in the Basin going back to 2007 and found 108 parcel sales with an average price of \$228,500 per development right (see [*Exhibit R*](#)). The majority of these sales occurred in 2007 on properties zoned for 5-acre lots. This being significantly higher than the County Bank transactions, we scrubbed the data in a myriad of ways in order to see if we could assimilate the two data sets (see [*Exhibit R*](#)):

¹⁵ This pricing is generally consistent with the land price data evidenced in Exhibit A, which supported a land value of \$30 PSF. The transactions referenced in Exhibit A averaged a density of 0.71 FAR, or \$43 per BSF. Axiomatically, the higher density the development, the lower the land price is as a percent of total cost, thus the price per BSF decreases with density. Therefore, development planned at an FAR of 1.0 or more should sell for less per BSF than land intended for development at an FAR of less than 1.0.

¹⁶ In general, the zoning prescribes the minimum lot size for a homesite. There are some exceptions to this, however, such as lots with pre-existing legal precedent and subdivisions platted under the cluster ordinance.

- First, we looked at sales of property only over the past three years (2009-2011). This brought the average price per development right down to around \$170,000 per unit.
- Given that RA-5 constitutes the majority of the land in the Basin, we then looked at sales in the past three years (2009-2011) of just the RA-5 parcels. This brought the average price down to around \$150,000.
- We then elected to exclude sales of all properties of less than 15 acres in size. This reduced the number of transactions to 26 and brought the average down to \$131,000 per unit.
- Finally, we looked at the sales of 15+ acre properties in the past three years. This produced four transactions with an average value of \$107,000 per development right.

Conservation / Natural Resource Value

One of the key differences between the transactions analyzed and a TDR transaction (such as the County Bank transactions) is that in a property sale, all the property rights are transferred from the seller to the buyer. By contrast, in a TDR transaction, only the development right is transferred; the other rights afforded a property owner remain. These would include agricultural rights, timber rights, mineral rights, and the right to recreate, among others. Although outshined by the value of the development right, these other rights still create property value, and in the case of a TDR transaction, remain with the sending site property owner.

As a proxy for determining this value, Heartland pulled all the parcels within the Basin that benefit from an Open Space Tax Exemption Current Use Designation. Assessor records for qualifying properties categorize these properties as Agricultural, Forest, Designated Forest, or Green.

OPEN SPACE EXEMPTION ASSESSED VALUES FOR PROPERTIES IN ISSAQUAH CREEK BASIN 2011						
Current Use Designation	Property Count	Min \$/Property	Max \$/Property	Weighted Avg \$/Property	Avg Property Acre	Weighted Avg \$/Acre
AGRIC	49	\$75	\$199,554	\$4,639	10.22	\$454
DSFRS	14	\$548	\$126,932	\$3,083	18.58	\$166
FOREST	12	\$411	\$130,754	\$8,018	8.82	\$909
GREEN	70	\$1,600	\$249,500	\$15,555	6.91	\$2,250
ALL	145	\$75	\$249,500	\$8,516	9.31	\$914

As shown above, these values range from \$166 to \$2,250 per acre, or approximately \$1,000 to \$10,000 of value for an average 5-acre development right (see ***Exhibit S*** for more detail). However, there is significant variation in these values, with some as high as \$35,000 per acre. In certain instances, this natural resource value helps explain the variation between the average property sale transactions Heartland analyzed, and the average County Bank transaction prices (which represent the value of the development rights only and not the entire bundle of rights afforded an owner of fee simple property).

Depending on the whims of the City in creating policy, these natural resource values could be deducted from the otherwise established transaction value since they remain value to be captured by the sending site property owner. Alternately, they could be ignored in determining needed exchange rates, in which case they would serve as an added incentive to the sending site owner to participate in the TDR program.

Exchange Ratio

Ultimately, given the extreme variability in the sending site transaction values, we were unable to settle on a unified sending site value for the Basin. This variation is reinforced in looking at the values of the

single-family zoned property within the Inter-City TDR program, which ranged in our November 2010 report between \$65,000 and \$150,000 per development right.¹⁷

Therefore, we recommend using what is referred to as “floating” transfer rate, where the transfer rate is determined by dividing the sending site value contract price by the amount developers can pay on the receiving end, which is a fixed value. For example, if a sending site property owner’s land was valued at \$40,000 per TDR, and we know receiving site values cannot exceed \$20 per BSF, then we can deduce the buyer of the TDR will need to receive rights to build 2,000 BSF in the receiving area (\$40,000/\$20). Further examples of the floating transfer rate are delineated in the table below.¹⁸

In using a floating transfer ratio, the only real risk is in setting the average sending site value too high, in which case developers that buy the development rights to property for less than this average receive a windfall; the same is not true for properties with values above the average, since the transfer rate “floats up.”

A solution to this issue is to codify the floating transfer rate at the lowest common denominator of value, which would be to say that every \$X in sending site value results in 1 BSF on the receiving end, with \$X being equal to the supported price on the receiving site value. Based on the data evidenced in Exhibit Q, developers could afford to pay \$20 per BSF in the receiving area, so in this case \$X would be \$20.

Floating Transfer Rates @ \$20 per BSF Receiving Area

Sending Site Value	Receiving Site Value	Transfer Rate
\$20	\$20	1
\$1,000	\$20	50
\$10,000	\$20	500
\$50,000	\$20	2500
\$100,000	\$20	5000

Floating Transfer Rates @ \$15 per BSF Receiving Area

Sending Site Value	Receiving Site Value	Transfer Rate
\$15	\$15	1
\$750	\$15	50
\$7,500	\$15	500
\$37,500	\$15	2500
\$75,000	\$15	5000

Alternately, if the assumed receiving site values are discounted 25 percent to \$15 per BSF - in order to encourage the use of TDRs over other bonus density mechanisms – then \$X would be \$15, and for every \$15 in sending site value, developers would receive the right to build one (1) additional BSF, on the premise they could afford to pay \$15 for each BSF development right.

A further iteration to the floating transfer rate concept is to assume further discounts to the receiving site value in conjunction with the conservation of priority properties or to stimulate use of the TDRs already held by a bank. Determination of what those priority properties would be, if any, would be subject to the policy considerations of the City and County.

TDR Capacity to Meet Receiving Area Demand

The final step in our evaluation was to look at the total potential number of TDR sending site credits both within the Inter-City program and across the Issaquah Creek Basin, and determine if there were enough credits to supply all potential bonus density available in the CIP receiving area. If not, this would open up the potential to either expand the sending site areas further or to allow for other means by which to achieve bonus density, such as provision of on-site and inter-district amenities and the creation of affordable housing.

Exhibit T presents the results from examination of this issue. The results show that in looking at redevelopment of the entire CIP (net of Rowley) – 758 acres - there is more increment available in the receiving areas than there is capacity within sending site areas under consideration, thus opening the door to alternative means by which to earn bonus density.

¹⁷ The values for the sending sites in other zones is irrelevant since they are all in the CIP and thus subject to an impending rezoning.

¹⁸ This concept has been recently codified in the Bel-Red code through the ILA between the City of Bellevue and King County. See Section D. TDR Credit Bonus Building Area, under Article II of the ILA.

However, when we look only at the portion of the CIP that is likely to redevelop over the next 30-year planning horizon – 204 acres – there is the possibility that the currently considered sending sites would have enough capacity to supply almost all the available increment in the receiving areas (Scenario 3). This would only occur if all the potential Inter-City and Basin TDRs were extinguished over the planning horizon, which we think is extremely unlikely to occur given past performance of other TDR programs in the region and the varying motivations of private landowners. Other scenarios (Scenarios 1 and 2) that assume some percentage of total TDR sending site capacity is extinguished show there is about two times as much increment to be earned through non-TDR mechanisms as through TDR.

It is important to remember that this analysis showcases the maximum increment available if all the redevelopment parcels in the CIP were to be redeveloped to the practical maximum achievable density. We can be almost certain this will not occur given the disparity between the average FAR of current land uses and level of FAR contemplated by the new code. If actual growth is more consistent with the EIS alternatives under consideration, then a much more moderate amount of bonus density can be expected to be seen in the CIP over the next 30 years.

Regardless, having an incentive zoning system is an important and valuable construct as it enables the City to balance nicely in one package what could otherwise be competing objectives of economic development, land conservation, and affordable housing, while addressing community concerns that a new code not result in a huge windfall for developers and eliminate the ability of the code to support desired public benefits.

EXHIBITS A-T

ISSAQUAH - AS VACANT LAND SALES		2000 - 2010							
PropName	PIN	Sale Year	Count	CurrentZoning	Land SF	SalePrice	\$/PSF	Seller	Buyer
VACANT COMMERCIAL LAND	3630230042	2010	1	UV	17,757	\$900,000	\$50.68	UNION BANK NA	ICHIJO USA CO LTD
VACANT MULTI RES LAND	8843900433	2010	1	MUR	21,730	\$500,000	\$23.01	GTV ENTERPRISES INC	JUNIPER STREET LLC
	8843900435								
	8843900437								
	8843900439								
VACANT COMMERCIAL LAND	2224069159	2009	1	UV	11,337	\$440,000	\$38.81	GRAND-GLACIER LLC	ISSAQUAH HIGHLANDS SELF STORAGE LLC
New Apartment Building @ 989 NE Discovery Dr	3630360090	2009	1	UV	371,721	\$4,600,000	\$12.37	GRAND-GLACIER L L C	BLOCK 24 L L C
Swedish Hospital Site	3630250050	2009	1	UV	732,359	\$22,297,897	\$30.45	GRAND-GLACIER L L C	SWEDISH HEALTH SERVICES
	3630250060								
	3630250070								
	3630250090								
	3630250100								
	3630250110								
RAINIER NORTH OFFICE BUILDING	2824069032	2008	1	CBD	13,654	\$345,000	\$25.27	R485 LLC	RAINIER SET SAIL LLC
VACANT COMMERCIAL	2824069356	2008	1	CBD	6,254	\$621,000	\$99.30	R485 L L C	RAINIER SET SAIL L L C
VACANT COMMERCIAL LAND	2824069031	2008	1	CBD	10,320	\$578,000	\$56.01	R485 LLC	DZON LLC
VACANT COMMERCIAL LAND	2224069159	2008	1	UV	11,337	\$204,000	\$17.99	KING COUNTY	STARPOINT SHOPS LLC
VACANT MULTI RES LAND	8844300035	2008	1	MUR	39,600	\$1,300,000	\$32.83	ISSAQUAH STORAGE LLC	LINCOLNSHIRE LLC
	8844300036								
SWEDISH HEALTH SERVICES	3630250080	2008	1	UV	350,958	\$7,500,000	\$21.37	GRAND-GLACIER LLC	SWEDISH HEALTH SERVICES
	3630250070								
VACANT LAND	8562730170	2007	1	UV-EV	390,297	\$11,000,000	\$28.18	OLY/COUGAR GENERAL PARTNERSHIP	TALUS CORPORATE CENTER LLC
Vacant Lot. 64% wetlands.	8844300100	2007	1	MUR	26,132	\$175,000	\$18.60	SPAK STEPHEN G+KUHN SHARON R	ABOSSEIN INVESTMENT L L C
VACANT INDUSTRIAL LAND	2024069115	2006	1	PO	365,254	\$1,330,000	\$3.64	FORTUNE STAR DEVELOPMENT CO	ISSAQUAH FARM ASSOCIATES LLC
	8562730260	2006	1	UV-EV	234,871	\$5,000,000	\$21.29	OLY/COUGAR GENERAL PS	TALUS VILLAGE CENTER LLC
VACANT LAND	8562730140	2005	1	UV-EV	49,223	\$750,000	\$15.24	OLY/ COUGAR GP	TALUS PARCEL 16 1LLC
ISSAQUAH PARK & RIDE	2924069143	2005	1	CF-F	194,669	\$2,064,800	\$10.61	WASHINGTON STATE OF	CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY
Vacant Microsoft Land	2724069209	2003	1	UV	1,013,197	\$19,379,532	\$19.13	GRAND-GLACIER LLC	MICROSOFT CORPORATION
12TH & NEWPORT BLDG (APPLIED PRECISION)	3629300020	2002	1	R	176,567	\$575,260	\$3.26	12TH & NEWPORT PARTNERS LLC	ISSAQUAH BANK
Walgreens Drug	2161630120	2002	1	R	85,705	\$5,625,000	\$65.63	JOHNSON UNDERWOOD PROPERTIES L L C	CENTURY INVESTMENTS L L C
UNIVERSITY HOUSE - ISSAQUAH	2224069030	2001	1	R	174,759	\$2,374,430	\$13.59	WAKEFIELD 1-90 LLC	ISQH LLC
The Timbers II	2224069010	2001	1	MF-M	353,332	\$10,970,000	\$31.05	WAKEFIELD I-90 LLC	SHLP SOUTH RIDGE LLC
Kingdom Hall of Jehovah's Witnesses	2824069327	2001	1	SF-S	56,628	\$222,500	\$3.93	HORIZONS UNLIMITED INC	JEHOVAH'S WITNESSES OF ISSAQUAH
Paved Parking Lot	2724069196	2001	1	IC	18,310	\$250,000	\$13.65	BRENDEN MARSHALL M+NANCY B+FALCON ANDREW J+LAVINA M	JIM DANDY LLC
ESTATES AT COUGAR MOUNTAIN	8562730110	2001	1	UV-EV	682,668	\$8,600,000	\$12.60	OLY/INTRACORP GENERAL PARTNERSHIP	JEFFERSON AT COUGAR MOUNTAIN LP
	8562730260								
EASTPOINTE CORPORATE CENTER	2224069044	2000	1	R	252,301	\$2,918,000	\$11.57	WAKEFIELD I-90 LLC	OPUS NORTHWEST LLC
	AVERAGE	2010	2		39,487	\$1,400,000	\$35.45		
	AVERAGE	2009	3		1,115,417	\$27,337,897	\$24.51		
	AVERAGE	2008	6		432,123	\$10,548,000	\$24.41		
	AVERAGE	2007	2		416,429	\$11,175,000	\$26.84		
	AVERAGE	2006	2		600,125	\$6,330,000	\$10.55		
	AVERAGE	2005	2		243,892	\$2,814,800	\$11.54		

CURRENT USES									
BLOCK	1	2	3	4	5	6	7	8	9
Name	Cascade Business Park	Qwest Maintenance Yard	Rowley Mall St #1	Rowley Mall St #2	Rowley Maple Street #1	Rowley Maple Street #3	Town and Country Square	Briscoe/Gilman Square	Julia Pritt
Address	1145 SE Newport Way	1505 Newport Way NW	1680 NW Mall St	1250 NW Mall St	1235 NW Maple St	1575 NW Mall St	1185 NW Gilman Blvd	615 NW Gilman Blvd	460 NW Juniper St
No. Parcels	1	1	4	2	5	7	1	6	3
Use	Flex Office/Industrial	Maintenance Yard	Office and Flex	Office, Retail, and Flex	Retail, Office	Industrial/Office/Retail	Retail Shopping Center	Retail Shopping Center	Vacant Greenfield
SPACE PROGRAM									
Gross Site Area - SF	304,037	174,240	231,749	20,017	141,064	191,590	681,278	265,141	100,464
Acres	6.98	4.00	5.32	0.46	3.24	4.40	15.64	6.09	2.31
Building SF	96,000	34,146	55,600	4,560	2,672	58,030	171,661	42,450	0
FAR	0.32	0.20	0.24	0.23	0.02	0.30	0.25	0.16	0.00
PERFORMANCE									
Rent Assumption PSF (NNN)	\$13.44	\$10.00	\$18.00	\$18.00	\$18.00	\$18.00	\$24.00	\$12.97	\$0.00
Occupancy	90%	90%	90%	90%	90%	90%	74%	65%	90%
NOI	\$1,161,216	\$409,752	\$900,720	\$73,872	\$43,286	\$940,086	\$3,061,488	\$357,875	\$0
Cap Rate	7.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Project Value (Net of Sale Expenses)	\$15,759,360	\$4,865,805	\$10,696,050	\$877,230	\$514,026	\$11,163,521	\$36,355,170	\$4,249,762	\$0
Project Value PSF (RLV)	\$52	\$28	\$46	\$44	\$4	\$58	\$53	\$16	\$0

SUPPORTED MARKET-RATE RENTS FOR PROTOTYPICAL MID-RISE PRODUCT IN COMPARABLE JURISDICTIONS

	BELLEVUE			MERCER ISLAND			RENTON		
Property	Belcarra	Pinnacle BelCentre	Avalon Bellevue	The Mercer	77 Central	Island Square	95 Burnett	The Bristol at Southport	Sanctuary
Address	1032 106th Ave NE Bellevue, WA 98004	308 108th Ave NE Bellevue, WA, 98004	11000 NE 10th St. Bellevue, WA 98004	7650 SE 27th St. Mercer Island, WA 98040	2630 77th Ave SE Mercer Island, WA 98040	2758 78th Ave SE Mercer Island, WA 98040	95 Burnett Ave S Renton, WA 98057	1133 Lake Wash Blvd N Renton, WA 98056	1205 N 10th Pl Renton, WA 98057
Yr. Built	2008	2000	2000	2005	2008	2006	2007	2006	2008
Constr Type	Wood Frame over Concrete , 6 stories	Wood Frame, 4 stories	Wood Frame, 4 stories	Wood Frame over Concrete, 5 stories	Wood Frame over Concrete, 5 stories	Wood Frame over Concrete, 5 stories	Wood Frame over Concrete, 6 stories	Wood Frame, 5 stories	Wood Frame, 5 stories
Picture									
Unit Mix	63	87	22	19	16	51	12	18	88
SF	545	535	567	530	530	678	425	600	593
Rental Rate	\$1,188.00	\$995.00	\$970.00	\$1,045.00	\$1,449.00	\$1,010.00	\$975.00	\$1,066.00	\$968.50
\$/SF	\$2.18	\$1.86	\$1.71	\$1.97	\$2.73	\$1.49	\$2.29	\$1.78	\$1.63
Unit Mix	150	97	94	49	68	98	42	74	352
SF	761	669	865	910	834	870	712	740	822.5
Rental Rate	\$1,710.00	\$1,295.00	\$1,485.00	\$1,623.00	\$1,800.00	\$1,499.00	\$1,050.00	\$1,581.00	\$1,343.50
\$/SF	\$2.25	\$1.94	\$1.72	\$1.78	\$2.16	\$1.72	\$1.47	\$2.14	\$1.63
Unit Mix	83				73	86			88
SF	1031	N/App	N/App	N/App	1150	1299	N/App	N/App	1002
Rental Rate	\$2,186.00				\$2,400.00	\$2,400.00			\$1,398.50
\$/SF	\$2.12				\$2.09	\$1.85			\$1.40
Unit Mix		64	103	82			42	86	352
SF	N/App	1069	897	1375	N/App	N/App	1002	1200	1159
Rental Rate		\$1,693.00	\$1,774.00	\$2,498.00			\$1,400.00	\$2,349.00	\$1,744.50
\$/SF		\$1.58	\$1.98	\$1.82			\$1.40	\$1.96	\$1.51
Unit Mix			19		14		10	17	
SF	N/App	N/App	1582	N/App	1500	N/App	1117	1300	N/App
Rental Rate			\$2,797.00		\$3,448.00		\$1,750.00	\$2,999.00	
\$/SF			\$1.77		\$2.30		\$1.57	\$2.31	
Avg. Rent	\$2.20	\$1.82	\$1.69	\$1.83	\$2.19	\$1.72	\$1.55	\$2.04	\$1.57
Avg Unit Size	791	725	909	1116	995	985	833	979	568
Units	296	248	238	150	171	235	106	195	880
Units/Acre	118	121	136	84	107	92	177	52	112
Weighted Avg Rent by Subarea	\$1.92			\$1.89			\$1.68		
Weighting for Subject	33%			34%			33%		
Weighted Avg Rent all Props	\$1.83								

HARD CONSTRUCTION COST INPUTS - RS Means					
Elements	Factor	Office	Grd Flr Retail	MR Apt	
Base Cost		\$100.00	\$85.00	\$100.00	
Overhead, Profit, Other	20.00%	\$20.00	\$17.00	\$20.00	
Contingency	5.00%	\$6.00	\$5.10	\$6.00	
Subtotal Before Tax		\$126.00	\$107.10	\$126.00	
Sales Tax	9.50%	\$11.97	\$10.17	\$11.97	
TOTAL HARD COSTS		\$137.97	\$117.27	\$137.97	
SOFT COSTS					
Elements	% Hard	Office	Grd Flr Retail	MR Apt	
Design Costs	5.00%	\$6.00	\$5.10	\$6.00	
Specialty Consultants	2.00%	\$2.40	\$2.04	\$2.40	
Construction Testing	0.80%	\$1.10	\$0.94	\$1.10	
Water Meter & Installation	0.80%	\$1.10	\$0.94	\$1.10	
Utility Hook-up	1.10%	\$1.52	\$1.29	\$1.52	
Permits	2.00%	\$2.76	\$2.35	\$2.76	
Builders Risk Insurance	0.40%	\$0.55	\$0.47	\$0.55	
Legal Fees	0.25%	\$0.34	\$0.29	\$0.34	
Promotion and Leasing	0.35%	\$0.48	\$0.41	\$0.48	
Loan Financing Costs	6.00%	\$8.28	\$7.04	\$8.28	
Bank Inspection	0.02%	\$0.03	\$0.02	\$0.03	
Reimbursables	0.08%	\$0.11	\$0.09	\$0.11	
Site Survey	0.02%	\$0.03	\$0.02	\$0.03	
Traffic Study	0.02%	\$0.03	\$0.02	\$0.03	
Appraisal	0.02%	\$0.03	\$0.02	\$0.03	
Miscellaneous	0.02%	\$0.03	\$0.02	\$0.03	
Project Management Fee	3.50%	\$4.83	\$4.10	\$4.83	
Soft Cost Contingency	5.00%	\$1.48	\$1.26	\$1.48	
TOTAL SOFT COSTS		\$31.10	\$26.44	\$31.10	
As % of Hard WITH Sales Tax		22.5%	22.5%	22.5%	
Soft + Sales Tax as % of Hard		34.2%	34.2%	34.2%	

SPACE PROGRAM INPUTS							
Code Stipulations		Parking Requirements		Other Assumptions			
Base Height (ft)	40	Office (1 Stall/X SF)	333	Unit Sizes		Efficiency Factors	
Max Height (ft) ^{1,2,3}	6	Restaurants, Bars, Cafes (1 Stall/X SF)	400	Apartment	800	Large Lot Efficiency Reduction	15%
¹ Per Floor Upper Story Floorplate Reduction	0%	Other Retail (1 Stall/X SF)	400	Condo	1000	Office / Retail	90%
² Structured Parking Requirement	50%	Apt (Stall/Unit)	1.50	Ground Floor Uses		Office Floorplate	30,000
³ Impervious Surface Req'd Increase	0%	Condo (Stall/Unit)	1.50	Other Retail	0.0%	Residential	85%
Max Impervious Lot Area ⁴⁻⁵	95%	Site Area (GSSF/Stall)	350	Restaurant/Bar/Café	0.0%	Practical Residential Coverage Above Podium	80%
⁴ No credit given for pervious pavers				Public Open Space Assumption	0%		
⁵ Credit IS given for footprint of buildings with green roofs							
COST INPUTS							
Hard Costs (PSF, incl Sales Tax)		Parking (PSF)		Other Costs			
Office	\$138	Structured	\$58	TI Allowance (PSF)	\$20	Sitework	\$20.00
Apt MR	\$138	Tucked	\$38	Soft Costs (% Hard)	22.5%	Demo (PSF)	\$3.00
Apt HR	N/App	Surface	\$15	Sale / Lease Expenses	5%	HazMat (Allowance)	\$0
Condo MR	N/App			Setback Cost Increase	0%	Landscaping (Allowance)	\$0
Ground Floor Retail	\$117			Timing Delay Cost Increase	0%		
Single Story Retail	\$110						
REVENUE INPUTS							
Rent		Parking /Other Income Rate	Vacancy	Expense Ratio	Cap Rate	Profit Margin on Cost	
Office	\$26.00	\$0	10%	N/app to NNN	7.00%	11.1%	
Apt	\$1.90	\$130	5%	\$5,300	5.90%	7.9%	
Apt HR	N/App	N/app	N/app	N/app	5.90%	7.9%	
Condo	N/App	N/app	10%	N/app to NNN	N/app	20.0%	
Retail	\$26.00				7.70%	15.0%	

DENSITY OF PROTOTYPICAL MID-RISE PRODUCT IN COMPARABLE JURISDICTIONS

	BELLEVUE			MERCER ISLAND			RENTON		
Property	Belcarra	Pinnacle BellCentre	Avalon Bellevue	The Mercer	77 Central	Island Square	95 Burnett	The Bristol II at Southport	Sanctuary
Address	1032 106th Ave NE Bellevue, WA 98004	308 108th Ave NE Bellevue, WA, 98004	11000 NE 10th St. Bellevue, WA 98004	7650 SE 27th St. Mercer Island, WA 98040	2630 77th Ave SE Mercer Island, WA 98040	2758 78th Ave SE Mercer Island, WA 98040	95 Burnett Ave S Renton, WA 98057	1133 Lake Wash Blvd N Renton, WA 98056	1201-2 NE 10th Pl Renton, WA 98057
Yr. Built	2008	2000	2000	2005	2008	2006	2007	2006	2008
Constr Type	Wood Frame over Concrete	Wood Frame	Wood Frame over Concrete	Wood Frame over Concrete	Wood Frame over Concrete	Wood Frame over Concrete	Wood Frame over Concrete	Wood Frame	Wood Frame
Height	6 stories	5 stories	4 stories	5 stories	4 - 5 stories	4 - 5 stories	6 stories	5 stories	7 stories
Parking Levels	4 Levels	3 Levels	2 Levels	1 Level @ Grade; 1 B/G	1 Level @ Grade; 1 B/G	1 Level @ Grade; 1 B/G	2 Levels, Above Grade	2 Levels, Above Grade	2 Levels, Above Grade
Picture									
Lot SF	109,196	89,574	76,096	77,378	76,884	110,753	36,365	164,060	340,868
Lot Ac	2.51	2.06	1.75	1.78	1.77	2.54	0.83	3.77	7.83
Bldg SF	258,110	235,244	199,171	201,758	211,838	311,117	106,879	191,925	649,758
FAR	2.36	2.63	2.62	2.61	2.76	2.81	2.94	1.17	1.91
Units	296	248	202	150	171	235	106	195	880
Units/Acre	118	121	116	84	107	92	177	52	112
Parking SF	162,403	159,517	103,699	92,014	97,575	168,950	43,542	111,715	498,543
Stalls	484	396	300	246	308	486	125	293	1,424
SF/Stall	336	403	346	374	317	348	348	381	350
Stalls/Unit	1.64	1.60	1.49	1.64	1.80	2.07	1.18	1.50	1.62
AVERAGES	BELLEVUE			MERCER ISLAND			RENTON		
FAR	2.52			2.73			1.75		
Units/Acre	118			91			95		
SF/Stall	361			345			355		
Stalls/Unit	1.58			1.87			1.56		
AVERAGES				ALL					
FAR				2.19					
Units/Acre				100					
SF/Stall				354					
Stalls/Unit				1.64					

Profit Margin Calculation - Residential			
Residential WACC			
Source	Weight	Split	
Equity	35%	10.00%	
Debt	65%	5.00%	
WACC		6.75%	
Residential - Profit WithOUT Land			
Value	\$10,000,000		
TPC	(\$8,000,000)	W/O Land	
Subtotal	\$2,000,000		
Profit	(\$632,000)	7.9%	
RLV	\$1,368,000		
\$/PSF	\$31.40		
Residential - Profit With Land			
Value	\$10,000,000		
TPC	(\$9,368,000)	W/ Land	
Subtotal	\$632,000		
Profit	(\$632,000)	6.75%	
RLV	\$0		

Profit Margin Calculation - Office			
Office WACC			
Source	Weight	Split	
Equity	35%	15.00%	
Debt	65%	6.90%	
WACC		9.74%	
Office - Profit WithOUT Land			
Value	\$11,000,000		
TPC	(\$8,800,000)	W/O Land	
Subtotal	\$2,200,000		
Profit	(\$976,800)	11.1%	
RLV	\$1,223,200		
\$/PSF	\$28.08		
Office - Profit With Land			
Value	\$11,000,000		
TPC	(\$10,023,200)	W/ Land	
Subtotal	\$976,800		
Profit	(\$976,800)	9.75%	
RLV	\$0		

2011 Median Income Chart By Household Size					
	1 Person	2 Person	3 Person	4 Person	
100% AMI	\$60,760	\$69,440	\$78,120	\$86,800	
90% AMI	\$54,684	\$62,496	\$70,308	\$78,120	
80% AMI	\$48,608	\$55,552	\$62,496	\$69,440	
70% AMI	\$42,532	\$48,608	\$54,684	\$60,760	
60% AMI	\$36,456	\$41,664	\$46,872	\$52,080	
50% AMI	\$30,380	\$34,720	\$39,060	\$43,400	
40% AMI	\$24,304	\$27,776	\$31,248	\$34,720	
30% AMI	\$18,228	\$20,832	\$23,436	\$26,040	
Corresponding Affordable Monthly Rent @ 29.0% Gross Income					
	1 Person	2 Person	3 Person	4 Person	
100% AMI	\$1,468	\$1,678	\$1,888	\$2,098	
90% AMI	\$1,322	\$1,510	\$1,699	\$1,888	
80% AMI	\$1,175	\$1,343	\$1,510	\$1,678	
70% AMI	\$1,028	\$1,175	\$1,322	\$1,468	
60% AMI	\$881	\$1,007	\$1,133	\$1,259	
50% AMI	\$734	\$839	\$944	\$1,049	
40% AMI	\$587	\$671	\$755	\$839	
30% AMI	\$441	\$503	\$566	\$629	
Corresponding Affordable Utility Allowance @ 1.0% Gross Income					
	1 Person	2 Person	3 Person	4 Person	
100% AMI	\$51	\$58	\$65	\$72	
90% AMI	\$46	\$52	\$59	\$65	
80% AMI	\$41	\$46	\$52	\$58	
70% AMI	\$35	\$41	\$46	\$51	
60% AMI	\$30	\$35	\$39	\$43	
50% AMI	\$25	\$29	\$33	\$36	
40% AMI	\$20	\$23	\$26	\$29	
30% AMI	\$15	\$17	\$20	\$22	

Template Unit Mix					
	Studio	1 BR	2 BR	3 BR	AVG
Unit Mix	15%	41%	42%	2%	100%
Units	15	41	42	2	100
SF	470	760	938	1200	800
HH Size	Studio	1 BR	2 BR	3 BR	AVG
1	100%	0%	0%	0%	
2	0%	100%	0%	0%	
3	0%	0%	100%	0%	
4	0%	0%	0%	100%	
TOTAL	100%	100%	100%	100%	
	Studio	1 BR	2 BR	3 BR	TOTAL
1 person	15	0	0	0	15
2 person	0	41	0	0	41
3 person	0	0	42	0	42
4 person	0	0	0	2	2
TOTAL	15	41	42	2	100
Determining Affordable Rents					
Market	Studio	1 BR	2 BR	3 BR	AVG
\$/SF	\$2.10	\$1.80	\$1.78	\$1.50	\$1.83
Rent/Unit	\$987	\$1,368	\$1,670	\$1,800	\$1,465
Income Req'd	\$40,841	\$56,607	\$69,089	\$74,483	\$60,604
Avg HH Size	1.00	2.00	3.00	4.00	2.24
AMI Level	67%	82%	88%	86%	84%
90% AMI					
\$/SF	\$2.10	\$1.80	\$1.78	\$1.50	\$1.83
Rent/Unit	\$987	\$1,368	\$1,670	\$1,800	\$1,465
Income Req'd	\$40,841	\$56,607	\$69,089	\$74,483	\$60,604
AMI Level	67%	82%	88%	86%	84%
80% AMI					
\$/SF	\$2.10	\$1.77	\$1.61	\$1.40	\$1.74
Rent/Unit	\$987	\$1,343	\$1,510	\$1,678	\$1,395
Income Req'd	\$40,841	\$55,552	\$62,496	\$69,440	\$55,795
AMI Level	67%	80%	80%	80%	77%
70% AMI					
\$/SF	\$2.10	\$1.55	\$1.41	\$1.22	\$1.56
Rent/Unit	\$987	\$1,175	\$1,322	\$1,468	\$1,252
Income Req'd	\$40,841	\$48,608	\$54,684	\$60,760	\$50,081
AMI Level	67%	70%	70%	70%	69%
60% AMI					
\$/SF	\$1.87	\$1.32	\$1.21	\$1.05	\$1.35
Rent/Unit	\$881	\$1,007	\$1,133	\$1,259	\$1,082
Income Req'd	\$36,456	\$41,664	\$46,872	\$52,080	\$43,284
AMI Level	60%	60%	60%	60%	60%
50% AMI					
\$/SF	\$1.56	\$1.10	\$1.01	\$0.87	\$1.13
Rent/Unit	\$734	\$839	\$944	\$1,049	\$902
Income Req'd	\$30,380	\$34,720	\$39,060	\$43,400	\$36,070
AMI Level	50%	50%	50%	50%	50%

1.50 Stalls / DU Parking Ratio											
	DENSITY			INCLUSIONARY AFFORDABLE			OTHER		PERFORMANCE		
Scenario	% of Ground Floor as Retail	Resulting FAR	Resulting FAR (Retail Exempt)	Inclusionary Requirement	Affordability Level	MFTE (12 Yr)	MFTE (8 yr)	Parking Ratio	\$1.83	\$1.85	\$1.90
45' HEIGHT	85% IMPERVIOUS										
1	0%	1.58	1.58	0	0 No	No		1.50	\$6.59	\$11.46	\$23.59
2	0%	1.58	1.58	0	0 No	Yes		1.50	\$21.71	\$26.58	\$38.71
3	10%	1.54	1.46	0	0 No	No		1.50	\$4.19	\$8.71	\$20.05
4	10%	1.54	1.46	0	0 No	Yes		1.50	\$18.23	\$22.75	\$34.13
5	0%	1.58	1.58	20%	90% Yes	No		1.50	\$30.67	\$34.61	\$44.45
6	0%	1.58	1.58	20%	80% Yes	No		1.50	\$26.39	\$30.32	\$40.16
7	0%	1.58	1.58	20%	70% Yes	No		1.50	\$17.60	\$21.54	\$31.38
8	10%	1.56	1.49	20%	90% Yes	No		1.50	\$28.59	\$32.31	\$41.60
9	10%	1.56	1.49	20%	80% Yes	No		1.50	\$24.54	\$28.26	\$37.55
10	10%	1.56	1.49	20%	70% Yes	No		1.50	\$16.23	\$19.95	\$29.25
45' HEIGHT	90% IMPERVIOUS										
11	0%	1.67	1.67	0	0 No	No		1.50	\$7.02	\$12.18	\$25.02
12	0%	1.67	1.67	0	0 No	Yes		1.50	\$23.03	\$28.19	\$41.03
13	10%	1.63	1.55	0	0 No	No		1.50	\$4.48	\$9.27	\$21.27
14	10%	1.63	1.55	0	0 No	Yes		1.50	\$19.34	\$24.13	\$36.18
15	0%	1.67	1.67	20%	90% Yes	No		1.50	\$32.48	\$35.32	\$48.16
16	0%	1.67	1.67	20%	80% Yes	No		1.50	\$27.49	\$32.01	\$42.68
17	0%	1.67	1.67	20%	70% Yes	No		1.50	\$18.63	\$22.80	\$33.22
18	10%	1.67	1.67	20%	90% Yes	No		1.50	\$30.23	\$34.16	\$44.00
19	10%	1.63	1.55	20%	80% Yes	No		1.50	\$23.49	\$29.88	\$37.72
20	10%	1.63	1.55	20%	70% Yes	No		1.50	\$17.16	\$21.10	\$30.93
45' HEIGHT	100% IMPERVIOUS										
21	0%	1.86	1.86	0	0 No	No		1.50	\$7.89	\$13.62	\$27.89
22	0%	1.86	1.86	0	0 No	Yes		1.50	\$25.68	\$31.41	\$45.68
23	10%	1.81	1.72	0	0 No	No		1.50	\$5.07	\$10.39	\$23.71
24	10%	1.81	1.72	0	0 No	Yes		1.50	\$21.58	\$26.90	\$40.28
25	0%	1.86	1.86	20%	90% Yes	No		1.50	\$33.60	\$39.33	\$53.60
26	0%	1.86	1.86	20%	80% Yes	No		1.50	\$30.64	\$35.66	\$47.51
27	0%	1.86	1.86	20%	70% Yes	No		1.50	\$20.70	\$25.34	\$36.91
28	10%	1.81	1.72	20%	90% Yes	No		1.50	\$33.52	\$37.88	\$48.79
29	10%	1.81	1.72	20%	80% Yes	No		1.50	\$26.19	\$30.85	\$41.98
30	10%	1.81	1.72	20%	70% Yes	No		1.50	\$19.02	\$23.39	\$34.30

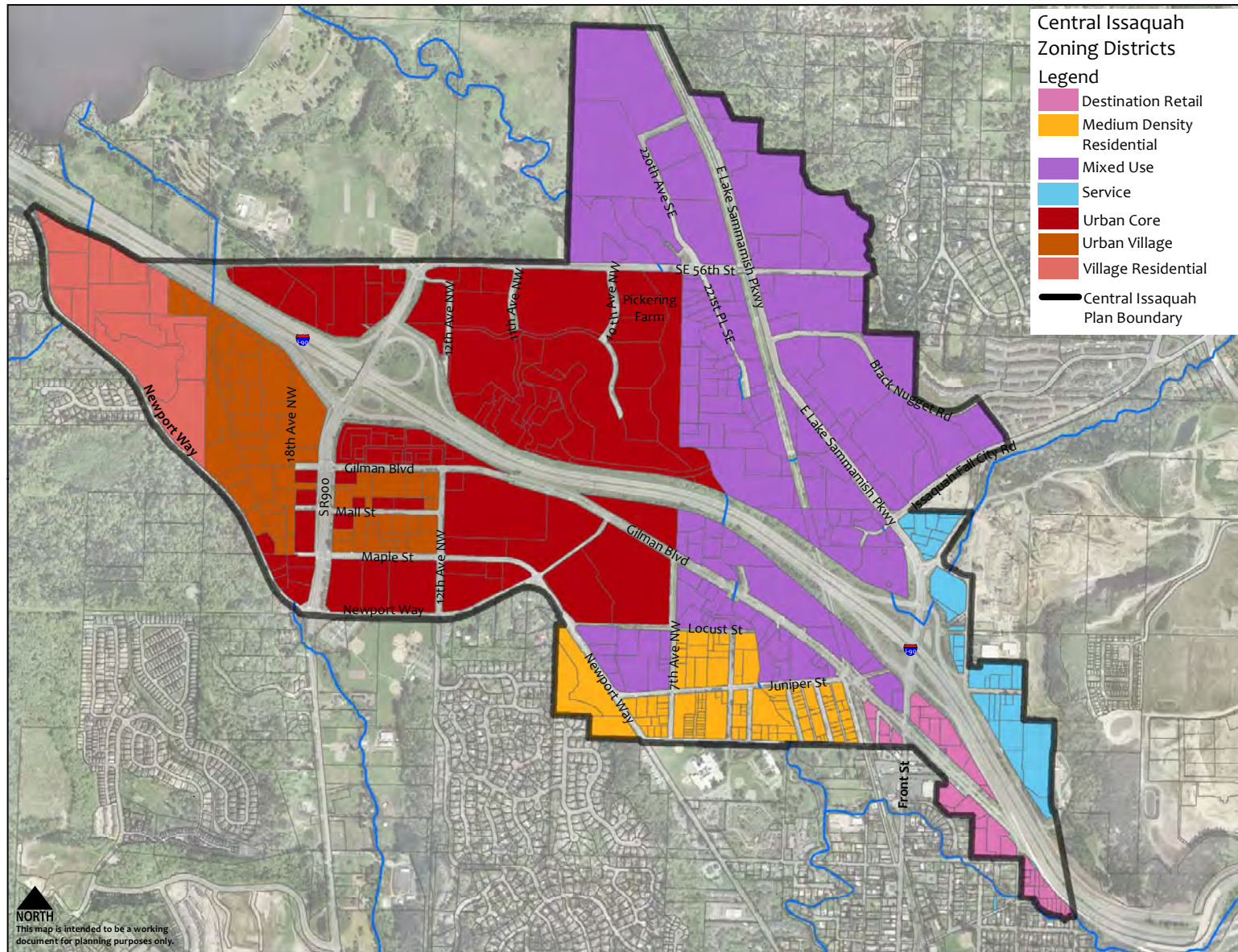
1.25 Stalls / DU Parking Ratio												
DENSITY				INCLUSIONARY AFFORDABLE			OTHER			PERFORMANCE		
Scenario	% of Ground Floor as	Resulting FAR	Resulting FAR (Retail)	Inclusionary Requirement	Affordability Level	MFTE (12 Yr)	MFTE (8 yr)	Parking Ratio	Cap Rate	\$1.83	\$1.85	\$1.90
45' HEIGHT	85% IMPERVIOUS											
31	0%	1.68	1.68	0	0 No	No		1.25	5.90%	\$8.69	\$13.93	\$27.01
32	0%	1.68	1.68	0	0 No	Yes		1.25	5.90%	\$24.77	\$30.00	\$43.09
33	10%	1.66	1.59	0	0 No	No		1.25	5.90%	\$7.87	\$12.83	\$25.22
34	10%	1.66	1.59	0	0 No	Yes		1.25	5.90%	\$23.10	\$28.06	\$40.46
35	0%	1.68	1.68	20%	90% Yes	No		1.25	5.90%	\$33.16	\$37.35	\$47.81
36	0%	1.68	1.68	20%	80% Yes	No		1.25	5.90%	\$28.60	\$32.79	\$43.25
37	0%	1.68	1.68	20%	70% Yes	No		1.25	5.90%	\$19.26	\$23.44	\$33.91
38	10%	1.66	1.59	20%	90% Yes	No		1.25	5.90%	\$31.05	\$35.02	\$44.93
39	10%	1.66	1.59	20%	80% Yes	No		1.25	5.90%	\$26.73	\$30.70	\$40.61
40	10%	1.66	1.59	20%	70% Yes	No		1.25	5.90%	\$17.88	\$21.84	\$31.76
45' HEIGHT	90% IMPERVIOUS											
41	0%	1.78	1.78	0	0 No	No		1.25	5.90%	\$9.20	\$14.75	\$28.60
42	0%	1.78	1.78	0	0 No	Yes		1.25	5.90%	\$26.23	\$31.77	\$45.62
43	10%	1.76	1.68	0	0 No	No		1.25	5.90%	\$8.31	\$13.56	\$26.67
44	10%	1.76	1.68	0	0 No	Yes		1.25	5.90%	\$24.33	\$29.67	\$42.79
45	0%	1.78	1.78	20%	90% Yes	No		1.25	5.90%	\$35.11	\$39.54	\$50.62
46	0%	1.78	1.78	20%	80% Yes	No		1.25	5.90%	\$30.28	\$34.72	\$45.80
47	0%	1.78	1.78	20%	70% Yes	No		1.25	5.90%	\$20.39	\$24.82	\$35.90
48	10%	1.76	1.68	20%	90% Yes	No		1.25	5.90%	\$32.84	\$37.03	\$47.52
49	10%	1.76	1.68	20%	80% Yes	No		1.25	5.90%	\$28.27	\$32.46	\$42.95
50	10%	1.76	1.68	20%	70% Yes	No		1.25	5.90%	\$18.90	\$23.10	\$33.59
45' HEIGHT	100% IMPERVIOUS											
51	0%	1.97	1.97	0	0 No	No		1.25	5.90%	\$10.23	\$16.38	\$31.78
52	0%	1.97	1.97	0	0 No	Yes		1.25	5.90%	\$29.14	\$35.30	\$50.69
53	10%	1.95	1.86	0	0 No	No		1.25	5.90%	\$9.21	\$15.03	\$29.57
54	10%	1.95	1.86	0	0 No	Yes		1.25	5.90%	\$27.08	\$32.90	\$47.45
55	0%	1.97	1.97	20%	90% Yes	No		1.25	5.90%	\$39.01	\$43.94	\$56.25
56	0%	1.97	1.97	20%	80% Yes	No		1.25	5.90%	\$33.65	\$38.57	\$50.89
57	0%	1.97	1.97	20%	70% Yes	No		1.25	5.90%	\$22.65	\$27.58	\$39.89
58	10%	1.95	1.86	20%	90% Yes	No		1.25	5.90%	\$36.41	\$41.06	\$52.70
59	10%	1.95	1.86	20%	80% Yes	No		1.25	5.90%	\$31.34	\$35.99	\$47.63
60	10%	1.95	1.86	20%	70% Yes	No		1.25	5.90%	\$20.95	\$25.61	\$37.24

\$28 NNN Rents (\$30 RLV Threshold)										
COMMERCIAL OFFICE RESULTS										
Maximized Zoning Envelope							Tucked			
Scenario	Rent (NNN)	Cost Escalation	% of Ground Floor as Retail	Parking Ratios	Resulting FAR	Resulting FAR (Retail Exempt)	RLV	Resulting FAR	Resulting FAR (Retail Exempt)	RLV
45' HEIGHT			65% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
1	\$28.00	0%	0%	3.0/1000	1.00	1.00	\$25.55	0.62	0.62	\$21.90
2	\$28.00	0%	10%	3.0/1000	0.99	0.93	\$21.20	0.56	0.49	\$16.15
3	\$28.00	0%	0%	2.5/1000	1.09	1.09	\$41.19	0.74	0.74	\$35.99
4	\$28.00	0%	10%	2.5/1000	1.08	1.02	\$36.71	0.67	0.60	\$28.83
45' HEIGHT			75% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
5	\$28.00	0%	0%	3.0/1000	0.98	0.98	\$25.06	0.61	0.61	\$21.48
6	\$28.00	0%	10%	3.0/1000	0.97	0.91	\$20.86	0.55	0.48	\$15.84
7	\$28.00	0%	0%	2.5/1000	1.07	1.07	\$40.40	0.73	0.73	\$35.30
8	\$28.00	0%	10%	2.5/1000	1.06	1.00	\$36.08	0.66	0.59	\$28.27
45' HEIGHT			85% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
9	\$28.00	0%	0%	3.0/1000	1.11	1.11	\$28.40	0.69	0.69	\$24.35
10	\$28.00	0%	10%	3.0/1000	1.10	1.03	\$23.16	0.62	0.55	\$17.95
11	\$28.00	0%	0%	2.5/1000	1.21	1.21	\$45.79	0.83	0.83	\$40.01
12	\$28.00	0%	10%	2.5/1000	1.20	1.13	\$40.36	0.74	0.67	\$32.04
45' HEIGHT			95% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
13	\$28.00	0%	0%	3.0/1000	1.24	1.24	\$31.74	0.77	0.77	\$27.21
14	\$28.00	0%	10%	3.0/1000	1.23	1.15	\$25.46	0.69	0.61	\$20.06
15	\$28.00	0%	0%	2.5/1000	1.36	1.36	\$51.17	0.92	0.92	\$44.71
16	\$28.00	0%	10%	2.5/1000	1.34	1.26	\$44.64	0.83	0.75	\$35.81
55' HEIGHT			65% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
17	\$28.00	0%	0%	3.0/1000	1.34	1.34	\$32.98	0.62	0.62	\$21.90
18	\$28.00	0%	10%	3.0/1000	1.33	1.26	\$28.63	0.56	0.49	\$16.15
19	\$28.00	0%	0%	2.5/1000	1.45	1.45	\$53.83	0.74	0.74	\$35.99
20	\$28.00	0%	10%	2.5/1000	1.45	1.38	\$49.35	0.67	0.60	\$28.83
55' HEIGHT			75% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
21	\$28.00	0%	0%	3.0/1000	1.31	1.31	\$32.34	0.61	0.61	\$21.48
22	\$28.00	0%	10%	3.0/1000	1.30	1.24	\$28.15	0.55	0.48	\$15.84
23	\$28.00	0%	0%	2.5/1000	1.43	1.43	\$52.80	0.73	0.73	\$35.30
24	\$28.00	0%	10%	2.5/1000	1.42	1.35	\$48.47	0.66	0.59	\$28.27
55' HEIGHT			85% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
25	\$28.00	0%	0%	3.0/1000	1.49	1.49	\$36.55	0.69	0.69	\$24.35
26	\$28.00	0%	10%	3.0/1000	1.47	1.40	\$31.41	0.62	0.55	\$17.95
27	\$28.00	0%	0%	2.5/1000	1.62	1.62	\$59.84	0.83	0.83	\$40.01
28	\$28.00	0%	10%	2.5/1000	1.60	1.53	\$54.41	0.74	0.67	\$32.04
55' HEIGHT			95% IMPERVIOUS		Maximized Zoning Envelope			Tucked		
29	\$28.00	0%	0%	3.0/1000	1.66	1.66	\$40.97	0.77	0.77	\$27.21
30	\$28.00	0%	10%	3.0/1000	1.64	1.56	\$34.68	0.69	0.61	\$20.06
31	\$28.00	0%	0%	2.5/1000	1.81	1.81	\$66.87	0.92	0.92	\$44.71
32	\$28.00	0%	10%	2.5/1000	1.79	1.71	\$60.35	0.83	0.75	\$35.81

\$30 NNN Rents (\$33 RLV Threshold)										
COMMERCIAL OFFICE RESULTS										
Maximized Zoning Envelope						Tucked				
Scenario	Rent (NNN)	Cost Escalation	% of Ground Floor as Retail	Parking Ratios	Resulting FAR	Resulting FAR (Retail Exempt)	RLV	Resulting FAR	Resulting FAR (Retail Exempt)	RLV
45' HEIGHT		65% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
33	\$30.00	10%	0%	3.0/1000	1.00	1.00	\$28.74	0.62	0.62	\$24.58
34	\$30.00	10%	10%	3.0/1000	0.99	0.93	\$24.48	0.56	0.49	\$18.61
35	\$30.00	10%	0%	2.5/1000	1.09	1.09	\$44.66	0.74	0.74	\$39.21
36	\$30.00	10%	10%	2.5/1000	1.08	1.02	\$40.27	0.67	0.60	\$31.77
45' HEIGHT		75% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
37	\$30.00	10%	0%	3.0/1000	0.98	0.98	\$28.18	0.61	0.61	\$24.11
38	\$30.00	10%	10%	3.0/1000	0.97	0.91	\$24.08	0.55	0.48	\$18.25
39	\$30.00	10%	0%	2.5/1000	1.07	1.07	\$43.80	0.73	0.73	\$34.36
40	\$30.00	10%	10%	2.5/1000	1.06	1.00	\$39.57	0.66	0.59	\$31.16
45' HEIGHT		85% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
41	\$30.00	10%	0%	3.0/1000	1.11	1.11	\$31.94	0.69	0.69	\$27.33
42	\$30.00	10%	10%	3.0/1000	1.10	1.03	\$26.80	0.62	0.55	\$20.68
43	\$30.00	10%	0%	2.5/1000	1.21	1.21	\$49.64	0.83	0.83	\$43.59
44	\$30.00	10%	10%	2.5/1000	1.20	1.13	\$44.31	0.74	0.67	\$35.32
45' HEIGHT		95% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
45	\$30.00	10%	0%	3.0/1000	1.24	1.24	\$38.07	0.77	0.77	\$30.54
46	\$30.00	10%	10%	3.0/1000	1.23	1.15	\$29.52	0.69	0.61	\$23.12
47	\$30.00	10%	0%	2.5/1000	1.36	1.36	\$55.48	0.92	0.92	\$48.71
48	\$30.00	10%	10%	2.5/1000	1.34	1.26	\$49.05	0.83	0.75	\$39.47
55' HEIGHT		65% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
49	\$30.00	10%	0%	3.0/1000	1.34	1.34	\$37.22	0.62	0.62	\$24.58
50	\$30.00	10%	10%	3.0/1000	1.33	1.26	\$32.97	0.56	0.49	\$18.61
51	\$30.00	10%	0%	2.5/1000	1.45	1.45	\$58.45	0.74	0.74	\$39.21
52	\$30.00	10%	10%	2.5/1000	1.45	1.38	\$54.06	0.67	0.60	\$31.77
55' HEIGHT		75% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
53	\$30.00	10%	0%	3.0/1000	1.31	1.31	\$36.51	0.61	0.61	\$24.11
54	\$30.00	10%	10%	3.0/1000	1.30	1.24	\$32.40	0.55	0.48	\$18.25
55	\$30.00	10%	0%	2.5/1000	1.43	1.43	\$57.33	0.73	0.73	\$38.46
56	\$30.00	10%	10%	2.5/1000	1.42	1.35	\$53.10	0.66	0.59	\$31.16
55' HEIGHT		85% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
57	\$30.00	10%	0%	3.0/1000	1.49	1.49	\$41.37	0.69	0.69	\$27.33
58	\$30.00	10%	10%	3.0/1000	1.47	1.40	\$36.23	0.62	0.55	\$20.68
59	\$30.00	10%	0%	2.5/1000	1.62	1.62	\$64.97	0.83	0.83	\$43.59
60	\$30.00	10%	10%	2.5/1000	1.60	1.53	\$59.64	0.74	0.67	\$35.32
55' HEIGHT		95% IMPERVIOUS			Maximized Zoning Envelope			Tucked		
61	\$30.00	10%	0%	3.0/1000	1.66	1.66	\$46.24	0.77	0.77	\$30.54
62	\$30.00	10%	10%	3.0/1000	1.64	1.56	\$40.06	0.69	0.61	\$23.12
63	\$30.00	10%	0%	2.5/1000	1.81	1.81	\$72.62	0.92	0.92	\$48.71
64	\$30.00	10%	10%	2.5/1000	1.79	1.71	\$66.18	0.83	0.75	\$39.47

TUCKED PARKING FARs		
Current Code	Apartments	Office
10% Ground Floor Retail	0.69	0.52
No Retail	0.97	0.69
Parking Assumption	1.8/Stall	3.0 / 1000
Modified Code*	Apartments	Office
10% Ground Floor Retail	1.08	0.70
No Retail	1.37	0.81
Parking Assumption	1.5/Stall	3.0 / 1000
<i>* 45' base height, 90% impervious</i>		

SURFACE PARKING FARs		
Current Code	Apartments	Office
10% Ground Floor Retail	0.40	0.32
No Retail	0.49	0.34
Parking Assumption	1.8/Stall	3.0 / 1000
Modified Code*	Apartments	Office
10% Ground Floor Retail	0.67	0.46
No Retail	0.69	0.40
Parking Assumption	1.5/Stall	3.0 / 1000
<i>* 45' base height, 90% impervious</i>		



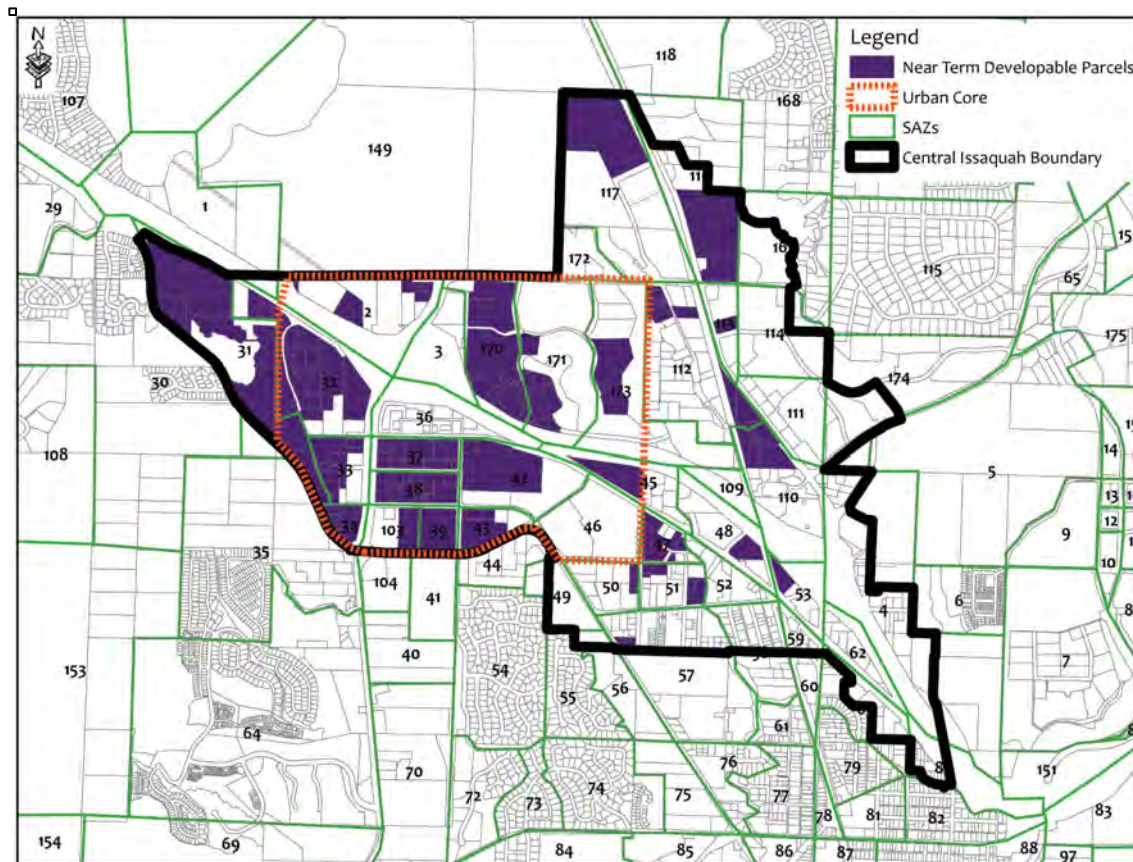
PRELIMINARY DRAFT
Development Regulations Matrix

Land Use Designation	FAR						Height		Minimum On-Site Community Space		Parking ^B		
	Min		Base		Max				Shared Space	Minimum Green Space	Land Use	Minimum Required	Maximum Allowed
	Residential	Commercial	Residential	Commercial	Residential	Commercial	Base	Max					
Village Residential	n/a	n/a	1.25	1.0	3.0	3.0	45'	65' ^A	30%		MF Residential	1.0/unit OR 0.75/unit ≤ 300 sf	2.0 /unit
Medium Density Residential	n/a	n/a	1.25	1.0	2.0	2.0	40'	65'	20%		Studio Apt	0.5 – 0.75/unit	1.0 / unit
									10%	10%			
Urban Core	.75	.55	1.7	1.25	5.0	5.0	45'	125'	5%		General Retail	2.5 spaces per 1,000 sq ft ^C	4/1000 sq ft ^D
									5%	0%			
Mixed Use	n/a	n/a	1.7	1.25	3.5	3.5	45'	85'	15%		Office	2 spaces per 1,000 sq ft	4/1000 sq ft
									10%	5%			
Destination Retail	n/a	n/a	1.25	1.0	2.0	2.0	45'	65'	15%		Temporary Lodging	3 spaces per 1,000 sq ft	1.5 per each sleeping room/suite & 1 per manager's unit
									5%	10%			
Service	n/a	n/a	.5	.5	.5	.5	45'	65'	10%		Personal Services: Beauty shop, health club, vet clinic ^E	2.5 spaces per 1,000 sq ft	4 per 1,000 sq ft
									5%	5%			
^A Maximum height along Newport Way will not be allowed to go to 65'. Need to determine max height along Newport Way.													
^B The commercial parking requirements are reduced to 2/1000 when all required parking is within structured parking.													
Small Health Services: medical/dental offices ^F												2.5 spaces per 1,000 sq ft	4 per 1,000 sq ft
Large Health Services												1 space per 1.5 beds (hospital) 3.33 spaces per 1,000 (lab facility)	3 spaces per bed (hospital) 4 spaces per 1,000 (lab facility)
Light Industrial/Business services/R&D ^G												2 spaces per 1,000 sq ft	2 spaces per 1,000 sq ft

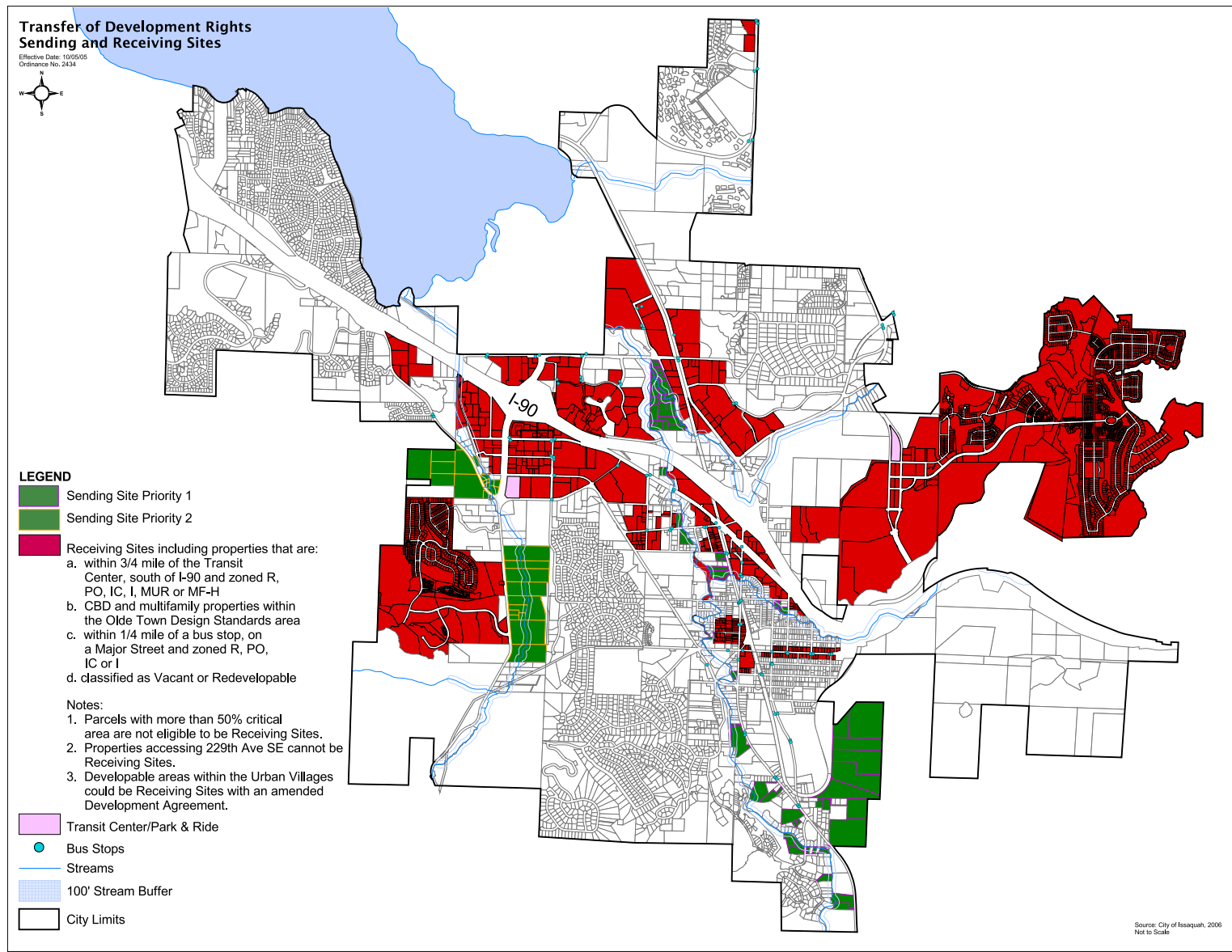
^A Maximum height along Newport Way will not be allowed to go to 65'. Need to determine max height along Newport Way.

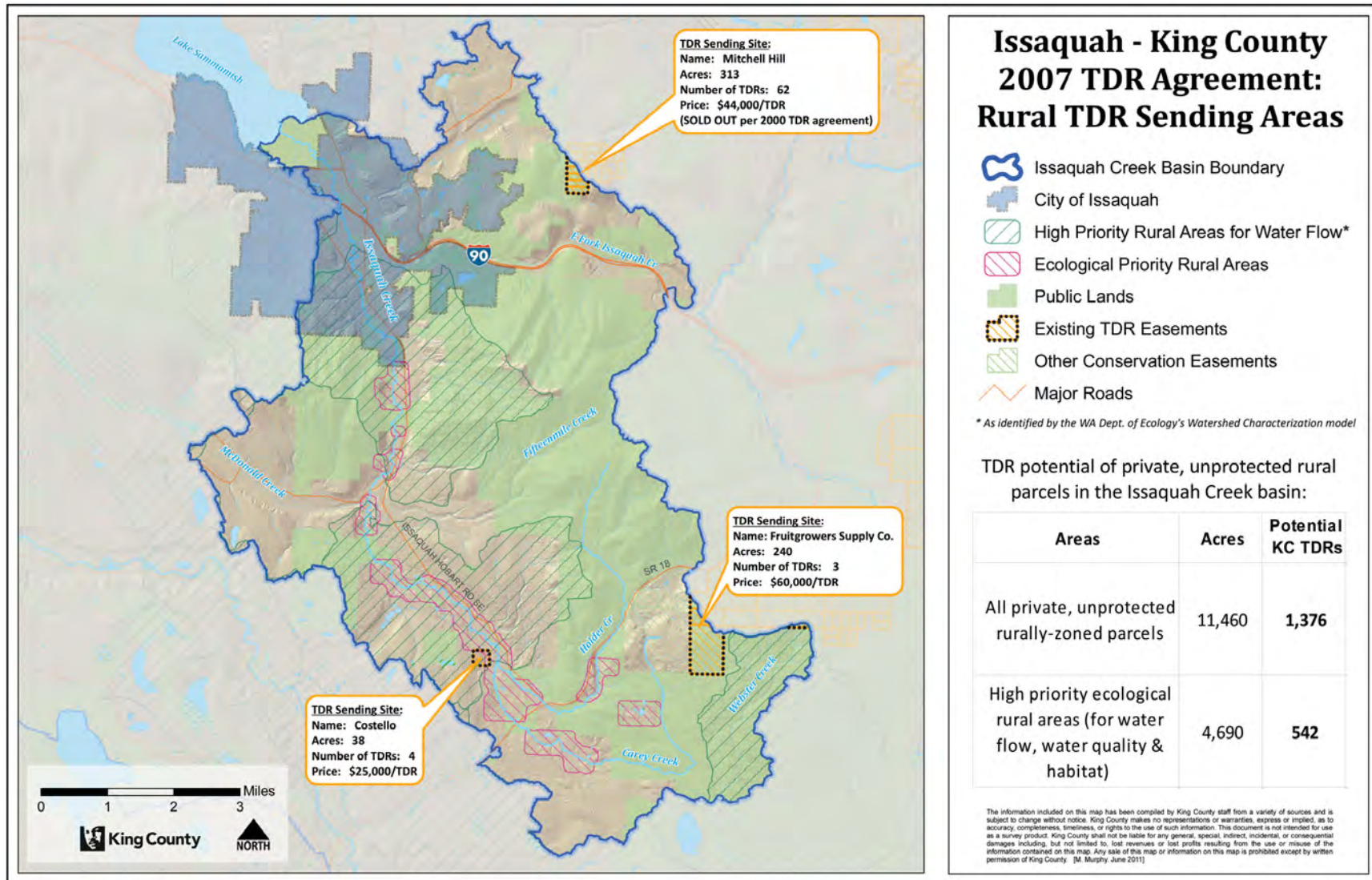
^B The commercial parking requirements are reduced to 2/1000 when all required parking is within structured parking.

CIP Zoned Development Capacity - All CIP Net of Rowley (Based on City Draft Regulations February 2012)															
Zoning Designation	PRIMARY USE			PARCEL ACREAGE		PRACTICAL MAXIMUM FAR					BASE FAR ALLOWED AS OF RIGHT				INCREMENTAL FAR AVAILABLE
	Office	Residential	Retail	Central Issaquah - Net of Rowley	% Total	FAR Allowed	Max FAR as Office	Max FAR as Residential	Max FAR as Retail	Avg FAR Max Achievable (Based on Use Mix)	As Office	As Residential	As Retail	Avg Base FAR (Based on Use Mix)	Avg FAR Increment Avail
Service	0%	0%	100%	28.60	3.8%	0.50	0.50	0.50	0.35	0.35	0.50	0.50	0.35	0.35	0.00
Medium Density Residential	0%	100%	0%	52.00	6.9%	2.00	1.50	2.00	0.35	2.00	1.00	1.25	0.35	1.25	0.75
Destination Retail	70%	0%	30%	20.00	2.6%	2.00	1.86	2.00	0.35	1.41	1.00	1.25	0.35	0.81	0.60
Village Residential	40%	60%	0%	53.90	7.1%	3.00	1.53	1.91	0.35	1.76	1.00	1.25	0.35	1.15	0.61
Mixed Use	60%	35%	5%	337.30	44.5%	3.50	2.23	3.25	0.35	2.44	1.25	1.70	0.35	1.36	1.08
Urban Core	50%	50%	0%	266.60	35.2%	5.00	3.73	4.00	0.35	3.72	1.25	1.70	0.35	1.48	2.24
TOTAL / Weighted Avg				758.40	100.0%	3.74	2.58	3.20	0.35	2.70				1.33	1.38
CIP Zoned Development Capacity - Redevelopable CIP Net of Rowley (Based on City Draft Regulations February 2012)															
Zoning Designation	PRIMARY USE			PARCEL ACREAGE		PRACTICAL MAXIMUM FAR					BASE FAR ALLOWED AS OF RIGHT				INCREMENTAL FAR AVAILABLE
	Office	Residential	Retail	Central Issaquah - Redevelopable Net of Rowley	% Total	FAR Allowed	Max FAR as Office	Max FAR as Residential	Max FAR as Retail Standalone	Avg FAR Max Achievable (Based on Use Mix)	As Office	As Residential	As Retail	Avg Base FAR (Based on Use Mix)	Avg FAR Increment Avail
Service	0%	0%	100%	0.00	0.0%	0.50	0.50	0.50	0.35	0.35	0.50	0.50	0.35	0.35	0.00
Medium Density Residential	0%	100%	0%	4.60	2.3%	2.00	1.50	2.00	0.35	2.00	1.00	1.25	0.35	1.25	0.75
Destination Retail	70%	0%	30%	0.00	0.0%	2.00	1.86	2.00	0.35	1.41	1.00	1.25	0.35	0.81	0.60
Village Residential	40%	60%	0%	42.00	20.6%	3.00	1.53	1.91	0.35	1.76	1.00	1.25	0.35	1.15	0.61
Mixed Use	60%	35%	5%	65.15	31.9%	3.50	1.86	4.00	0.35	2.43	1.25	1.70	0.35	1.36	1.07
Urban Core	50%	50%	0%	92.34	45.2%	5.00	3.73	4.00	0.35	3.72	1.25	1.70	0.35	1.48	2.24
TOTAL / Weighted Avg				204.09	100.0%	4.04	2.63	3.52	0.35	2.86				1.37	1.50



Zoning Designation	SAZ	Redevelopable Land - Net of Rowley
Urban Core	2	5.75
Village Residential	31	42.00
Urban Core	39	6.98
Urban Core	42	16.56
Urban Core	43	5.66
Urban Core	46	5.79
Mixed Use	47	5.70
Mixed Use	48	1.90
Mixed Use	50	1.30
Medium Density Residential	51	3.80
Mixed Use	53	1.85
Medium Density Residential	57	0.80
Urban Core	103	4.00
Mixed Use	110	8.20
Mixed Use	112	8.70
Mixed Use	113	1.50
Mixed Use	116	21.00
Mixed Use	117	15.00
Urban Core	170	30.44
Urban Core	171	7.98
Urban Core	173	9.19
TOTAL		204.09





Eastside Land Sales 2000+													3%
#	ExciseTaxNbr	DistrictName	Sale Date	Sale Year	Sale Price	Escalated Value	Px/Land SqFt	Tot Sale Lot SqFt	Parcel Total Bldg NSF	Parcel FAR	\$/GBSF	Escalated Value	
1	2383480	KIRKLAND	3/16/09	2009	\$1,900,000	\$2,015,710	\$639.73	2,970	3,437	1.16	\$552.81	\$586.47	
2	2360017	KIRKLAND	8/1/08	2008	\$2,210,000	\$2,414,927	\$744.11	2,970	3,437	1.16	\$643.00	\$702.63	
3	2352206	ISSAQUAH	6/26/08	2008	\$4,365,000	\$4,769,753	\$41.05	106,338	44,000	0.41	\$99.20	\$108.40	
4	2359633	KIRKLAND	8/12/08	2008	\$2,500,000	\$2,731,818	\$75.85	32,958	59,689	1.81	\$41.88	\$45.77	
5	2309273	KIRKLAND	9/1/07	2007	\$59,990,000	\$67,519,274	\$124.42	482,143	1,500,000	3.11	\$39.99	\$45.01	
6	2274087	REDMOND	3/29/07	2007	\$6,550,000	\$7,372,083	\$28.09	233,182	101,252	0.43	\$64.69	\$72.81	
7	2281789	BELLEVUE	5/1/07	2007	\$62,744,800	\$70,619,825	\$40.00	1,568,595	4,941,176	3.15	\$12.70	\$14.29	
8	2244726	REDMOND	10/9/06	2006	\$2,550,000	\$2,956,149	\$10.94	233,182	101,252	0.43	\$25.18	\$29.20	
9	2259575	BELLEVUE	12/27/06	2006	\$1,000,000	\$1,159,274	\$54.79	18,251	9,074	0.50	\$110.20	\$127.76	
10	2199459	NEWCASTLE	3/29/06	2006	\$2,000,000	\$2,318,548	\$44.12	45,335	116,882	2.58	\$17.11	\$19.84	
11	2144001	SHORELINE	7/27/05	2005	\$558,000	\$666,281	\$48.38	11,533	7,845	0.68	\$71.13	\$84.93	
12	2074970	KIRKLAND	9/30/04	2004	\$1,225,000	\$1,506,595	\$412.46	2,970	3,437	1.16	\$356.42	\$438.35	
13	2046839	DES MOINES	6/1/04	2004	\$315,000	\$387,410	\$41.93	7,513	5,924	0.79	\$53.17	\$65.40	
14	2035353	DES MOINES	4/23/04	2004	\$157,500	\$193,705	\$16.41	9,600	6,888	0.72	\$22.87	\$28.12	
15	1986160	KENT	9/4/03	2003	\$514,800	\$652,133	\$20.00	25,738	21,646	0.84	\$23.78	\$30.13	
16	1983023	BOTHELL	8/14/03	2003	\$325,000	\$411,700	\$3.98	81,600	24,787	0.30	\$13.11	\$16.61	
17	1929086 1841771	KIRKLAND	4/17/02	2002	\$8,950,000	\$11,677,720	\$124.37	71,961	157,700	2.19	\$56.75	\$74.05	
18	1878052	ENUMCLAW	4/3/02	2002	\$75,000	\$97,858	\$5.45	13,752	6,970	0.51	\$10.76	\$14.04	
19	1865603	RENTON	1/30/02	2002	\$250,000	\$326,193	\$7.80	32,060	24,983	0.78	\$10.01	\$13.06	
20	1806711	ENUMCLAW	3/12/01	2001	\$88,000	\$118,265	\$15.11	5,825	6,384	1.10	\$13.78	\$18.53	
21	1782928	KIRKLAND	10/19/00	2000	\$1,575,000	\$2,180,168	\$61.99	25,406	15,512	0.61	\$101.53	\$140.55	
22	1780462	REDMOND	10/6/00	2000	\$10,194,992	\$14,112,253	\$29.18	349,371	247,238	0.71	\$41.24	\$57.08	
23	1763269	AUBURN	6/27/00	2000	\$299,000	\$413,886	\$41.61	7,186	16,374	2.28	\$18.26	\$25.28	
24	1765433	BELLEVUE	6/19/00	2000	\$6,525,000	\$9,032,126	\$22.78	286,496	121,164	0.42	\$53.85	\$74.54	
25	1759272	ISSAQUAH	6/15/00	2000	\$2,918,000	\$4,039,194	\$11.57	252,301	156,323	0.62	\$18.67	\$25.84	
26	1742402	KIRKLAND	3/22/00	2000	\$2,109,000	\$2,919,349	\$43.60	48,372	47,633	0.98	\$44.28	\$61.29	
27	1741165	MERCER ISLAND	3/10/00	2000	\$617,820	\$855,207	\$37.46	16,494	15,513	0.94	\$39.83	\$55.13	
28	1733012	RENTON	1/18/00	2000	\$825,000	\$1,141,993	\$6.83	120,809	52,560	0.44	\$15.70	\$21.73	
AVERAGE - All				2004	\$183,331,912	\$214,609,399	\$44.77	4,094,911	7,819,081	1.91	\$23.45	\$27.45	
AVERAGE - Parcels Over 1 Acre and FAR > 0.50				7	2003	\$148,906,792	\$173,206,164	\$52.84	2,818,078	7,166,953	2.54	\$20.78	\$24.17
AVERAGE - Parcels Over 1 Acre and FAR > 0.75				5	2004	\$135,793,800	\$155,054,716	\$61.27	2,216,406	6,763,392	3.05	\$20.08	\$22.93
AVERAGE - Parcels Over 1 Acre and FAR > 1.0				4	2006	\$133,684,800	\$152,135,367	\$61.66	2,168,034	6,715,759	3.10	\$19.91	\$22.66

5 Year Trailing Sales History - Issaquah Creek Basin				
Zoning	# of Sales	Avg. Px/Acre	Avg. Px/Unit	
RA2.5	3	\$90,996	\$193,667	
RA5	83	\$106,701	\$189,025	
RA5P	18	\$162,676	\$415,278	
RA5SO	4	\$78,578	\$233,438	
Grand Total	108	\$114,552	\$228,507	
Sale Year	# of Sales	Avg. Px/Acre	Avg. Px/Unit	
2011	17	\$65,024	\$172,294	
2010	15	\$104,579	\$164,296	
2009	11	\$64,986	\$171,091	
2008	18	\$100,916	\$237,334	
2007	47	\$152,473	\$279,390	
Grand Total	108	\$114,552	\$228,507	
Zoning	# of Sales	Avg. Px/Acre	Avg. Px/Unit	
▼ Land Only	101	\$113,004	\$229,046	
▼ RA2.5	3	\$90,996	\$193,667	
2007	2	\$87,211	\$153,000	
2011	1	\$98,567	\$275,000	
▼ RA5	76	\$103,920	\$186,104	
2007	35	\$142,381	\$223,817	
2008	10	\$66,982	\$158,177	
2009	11	\$64,986	\$171,091	
2010	11	\$83,216	\$151,277	
2011	9	\$68,282	\$131,389	
▼ RA5P	18	\$162,676	\$415,278	
2007	7	\$231,527	\$613,714	
2008	5	\$173,289	\$381,800	
2010	2	\$97,214	\$175,000	
2011	4	\$61,652	\$230,000	
▼ RA5SO	4	\$78,578	\$233,438	
2007	2	\$47,645	\$238,750	
2008	2	\$109,510	\$228,125	
▼ Land with Small Improvements	7	\$136,896	\$220,735	
▼ RA5	7	\$136,896	\$220,735	
2007	1	\$292,486	\$218,250	
2008	1	\$61,205	\$325,000	
2010	2	\$229,443	\$225,199	
2011	3	\$48,566	\$183,833	
Grand Total	108	\$114,552	\$228,507	

5 Year Trailing Sales History - Issaquah Creek Basin 15+ Acre Properties										
Map ID	ExciseTaxNbr	Sale Date	Sale Year	SalePrice	Sale Acres	Sale Px/Acre	Sale Px/Dev unit	Acre/Dev Unit	Dev Units	CurrentZoning
27	2486690	4/4/11	2011	\$462,000	40.50	\$11,406	\$114,064	10	4.05	RA10
14	2425202	1/12/10	2010	\$198,000	19.97	\$9,914	\$49,572	5	3.99	RA5
15	2425202	1/12/10	2010	\$198,000	19.97	\$9,914	\$49,572	5	3.99	RA5
13	2378542	1/27/09	2009	\$215,000	19.60	\$10,969	\$109,694	10	1.96	RA10
19	2347288	5/20/08	2008	\$650,000	17.64	\$36,845	\$184,226	5	3.53	RA5
26	2308814	8/31/07	2007	\$370,000	20.06	\$18,445	\$92,223	5	4.01	RA5SO
20	2248614	11/6/06	2006	\$400,000	38.03	\$10,518	\$52,590	5	7.61	RA5
28	2244727	10/19/06	2006	\$400,000	20.01	\$19,990	\$99,950	5	4.00	RA5
5	2215363	6/12/06	2006	\$3,333,146	80.08	\$41,623	\$208,114	5	16.02	RA5
6	2215363	6/12/06	2006	\$3,333,146	80.08	\$41,623	\$208,114	5	16.02	RA5
7	2215363	6/12/06	2006	\$3,333,146	80.08	\$41,623	\$208,114	5	16.02	RA5
8	2215363	6/12/06	2006	\$3,333,146	80.08	\$41,623	\$208,114	5	16.02	RA5
11	2182191	1/4/06	2006	\$415,000	17.16	\$24,177	\$120,886	5	3.43	RA5
23	2158221	9/8/05	2005	\$280,000	24.63	\$11,368	\$56,841	5	4.93	RA5
29	2140876	7/21/05	2005	\$350,000	15.09	\$23,194	\$115,971	5	3.02	RA5
21	2139226	7/12/05	2005	\$500,000	28.41	\$17,599	\$87,995	5	5.68	RA5
22	2139226	7/12/05	2005	\$500,000	28.41	\$17,599	\$87,995	5	5.68	RA5
24	2106046	3/2/05	2005	\$285,000	20.06	\$14,207	\$71,037	5	4.01	RA5SO
3	2092162	12/15/04	2004	\$280,000	18.02	\$15,538	\$77,692	5	3.60	RA5P
9	2089043	12/2/04	2004	\$525,000	39.65	\$13,241	\$66,204	5	7.93	RA5
12	2089043	12/2/04	2004	\$525,000	39.65	\$13,241	\$66,204	5	7.93	RA5
18	2070693	9/14/04	2004	\$375,000	22.13	\$16,945	\$84,727	5	4.43	RA5P
11	2043584	5/19/04	2004	\$375,000	17.16	\$21,847	\$109,234	5	3.43	RA5
30	2030215	3/30/04	2004	\$234,684	22.04	\$10,648	\$53,240	5	4.41	RA5
31	2030215	3/30/04	2004	\$234,684	22.04	\$10,648	\$53,240	5	4.41	RA5
32	2014326	1/20/04	2004	\$630,000	26.38	\$23,882	\$119,409	5	5.28	RA5
AVERAGE - All			26		32.96	\$25,363	\$131,425	5.18	165.38	
AVERAGE	2011		1		40.50	\$11,406	\$114,064	10.00	4.05	
AVERAGE	2010		2		19.97	\$19,829	\$49,572	5.00	7.99	
AVERAGE	2009		1		19.60	\$20,884	\$109,694	10.00	1.96	
AVERAGE	2008		1		17.64	\$47,815	\$184,226	5.00	3.53	
AVERAGE	2007		1		20.06	\$55,290	\$92,223	5.00	4.01	
AVERAGE	2006		7		56.50	\$28,963	\$183,902	5.00	79.10	
AVERAGE	2005		5		23.32	\$30,508	\$82,117	5.00	23.32	
AVERAGE	2004		8		25.88	\$61,613	\$76,769	5.00	41.41	

OPEN SPACE EXEMPTION ASSESSED VALUES FOR PROPERTIES IN ISSAQUAH CREEK BASIN 2011												
Pin	SqFt/Lot	Acres	Current Zoning	Current Use Designation	Tax_Val_Reason	Appraised Land Value	Taxable Land Value	Appraised Imps Value	Taxable Imps Value	Taxable Residual %	Residual/Acre	Weighted Residual/Acre
2523069011	1,786,831	41.02	RA5	AGRIC	open space exemption	\$411,000	\$34,129	\$0	\$0	8%	\$832	\$34,129
3623069008	1,751,548	40.21	RA5	AGRIC	open space exemption	\$391,000	\$33,455	\$0	\$0	9%	\$832	\$33,455
3623069006	1,742,400	40.00	RA5	AGRIC	open space exemption	\$391,000	\$33,280	\$0	\$0	9%	\$832	\$33,280
0122069130	415,998	9.55	RA5	AGRIC	open space exemption	\$253,000	\$7,946	\$0	\$0	3%	\$832	\$7,946
0122069054	237,838	5.46	RA5	AGRIC	open space exemption	\$247,000	\$4,543	\$0	\$0	2%	\$832	\$4,543
0122069061	219,978	5.05	RA5	AGRIC	open space exemption	\$240,000	\$4,202	\$0	\$0	2%	\$832	\$4,202
0122069140	219,106	5.03	RA5	AGRIC	open space exemption	\$240,000	\$4,185	\$0	\$0	2%	\$832	\$4,185
0122069131	207,781	4.77	RA5	AGRIC	open space exemption	\$234,000	\$3,969	\$0	\$0	2%	\$832	\$3,969
0122069132	207,781	4.77	RA5	AGRIC	open space exemption	\$234,000	\$3,969	\$0	\$0	2%	\$832	\$3,969
0122069066	206,474	4.74	RA5	AGRIC	open space exemption	\$234,000	\$3,944	\$0	\$0	2%	\$832	\$3,944
0722079018	197,327	4.53	RA5	AGRIC	open space exemption	\$228,000	\$7,003	\$0	\$0	3%	\$1,546	\$7,003
0122069142	139,827	3.21	RA5	AGRIC	open space exemption	\$200,000	\$2,671	\$0	\$0	1%	\$832	\$2,671
0122069143	137,649	3.16	RA5	AGRIC	open space exemption	\$206,000	\$2,629	\$0	\$0	1%	\$832	\$2,629
0823069071	104,544	2.40	RA5	AGRIC	open space exemption	\$105,000	\$1,997	\$0	\$0	2%	\$832	\$1,997
0823069072	104,544	2.40	RA5	AGRIC	open space exemption	\$105,000	\$1,997	\$0	\$0	2%	\$832	\$1,997
3623069053	104,544	2.40	RA5	AGRIC	open space exemption	\$136,000	\$3,425	\$0	\$0	3%	\$1,427	\$3,425
2223069162	98,010	2.25	RA5	AGRIC	open space exemption	\$126,000	\$1,614	\$0	\$0	1%	\$717	\$1,614
0122069067	58,806	1.35	RA5	AGRIC	open space exemption	\$157,000	\$1,123	\$0	\$0	1%	\$832	\$1,123
0122069070	36,917	0.85	RA5	AGRIC	open space exemption	\$127,000	\$707	\$0	\$0	1%	\$834	\$707
0122069071	20,898	0.48	RA5	AGRIC	open space exemption	\$97,000	\$391	\$0	\$0	0%	\$815	\$391
2223069164	4,872	0.11	RA5	AGRIC	open space exemption	\$500	\$200	\$0	\$0	40%	\$1,788	\$200
2223069163	3,950	0.09	RA5	AGRIC	open space exemption	\$1,000	\$75	\$0	\$0	8%	\$827	\$75
0622079003	978,357	22.46	RA5	AGRIC	open space exemption	\$429,000	\$87,408	\$1,000	\$1,000	20%	\$3,892	\$87,408
3623069046	913,017	20.96	RA5	AGRIC	open space exemption	\$282,000	\$17,439	\$1,000	\$1,000	6%	\$832	\$17,439
0122069113	137,885	3.17	RA5	AGRIC	open space exemption	\$186,000	\$106,518	\$1,000	\$1,000	57%	\$33,651	\$106,518
3623069052	43,560	1.00	RA5	AGRIC	open space exemption	\$139,000	\$1,427	\$4,000	\$4,000	1%	\$1,427	\$1,427
3388300300	290,545	6.67	RA5	AGRIC	open space exemption	\$217,900	\$16,856	\$43,500	\$43,500	8%	\$2,527	\$16,856
0122069043	221,304	5.08	RA5	AGRIC	open space exemption	\$240,000	\$34,168	\$69,000	\$69,000	14%	\$6,725	\$34,168
2623069070	867,715	19.92	RA5	AGRIC	open space exemption	\$373,000	\$127,638	\$72,000	\$72,000	34%	\$6,408	\$127,638
0122069039	396,831	9.11	RA5	AGRIC	open space exemption	\$275,000	\$36,748	\$74,000	\$74,000	13%	\$4,034	\$36,748
3623069035	629,442	14.45	RA5	AGRIC	open space exemption	\$322,000	\$138,378	\$83,000	\$83,000	43%	\$9,576	\$138,378
2223069089	563,666	12.94	RA5	AGRIC	open space exemption	\$328,000	\$83,876	\$113,000	\$113,000	26%	\$6,482	\$83,876
0122069030	312,761	7.18	RA5	AGRIC	open space exemption	\$261,000	\$35,142	\$115,000	\$115,000	13%	\$4,894	\$35,142
3623069009	1,149,112	26.38	RA5	AGRIC	open space exemption	\$444,000	\$51,948	\$137,000	\$137,000	12%	\$1,969	\$51,948
3623069003	1,010,592	23.20	RA5	AGRIC	open space exemption	\$310,000	\$93,106	\$137,000	\$137,000	30%	\$4,013	\$93,106
2323069109	232,610	5.34	RA5	AGRIC	open space exemption	\$213,000	\$105,196	\$142,000	\$142,000	49%	\$19,700	\$105,196
3623069007	282,268	6.48	RA5	AGRIC	open space exemption	\$183,000	\$35,391	\$179,000	\$179,000	19%	\$5,462	\$35,391
1723069073	331,927	7.62	RA10	AGRIC	open space exemption	\$136,000	\$95,508	\$244,000	\$244,000	70%	\$12,534	\$95,508
3388380060	199,504	4.58	RA5	AGRIC	open space exemption	\$228,000	\$109,125	\$251,000	\$251,000	48%	\$23,827	\$109,125
3523069166	216,928	4.98	RA5	AGRIC	open space exemption	\$215,000	\$81,727	\$263,000	\$263,000	38%	\$16,411	\$81,727
0122069016	217,800	5.00	RA5	AGRIC	open space exemption	\$240,000	\$88,744	\$267,000	\$267,000	37%	\$17,749	\$88,744
0122069033	706,107	16.21	RA5	AGRIC	open space exemption	\$403,000	\$121,705	\$270,000	\$270,000	30%	\$7,508	\$121,705
1723069071	479,160	11.00	RA10	AGRIC	open space exemption	\$271,000	\$111,838	\$282,000	\$282,000	41%	\$10,167	\$111,838
2223069088	196,020	4.50	RA5	AGRIC	open space exemption	\$215,000	\$33,744	\$300,000	\$300,000	16%	\$7,499	\$33,744
0122069003	253,954	5.83	RA5	AGRIC	open space exemption	\$247,000	\$104,019	\$308,000	\$308,000	42%	\$17,842	\$104,019
1623069059	881,654	20.24	RA5	AGRIC	open space exemption	\$356,000	\$58,882	\$390,000	\$390,000	17%	\$2,909	\$58,882
0122069005	790,614	18.15	RA5	AGRIC	open space exemption	\$414,000	\$143,835	\$393,000	\$393,000	35%	\$7,925	\$143,835
0122069041	772,410	17.73	RA5	AGRIC	open space exemption	\$415,000	\$44,751	\$473,000	\$473,000	11%	\$2,524	\$44,751
2224069115	721,311	16.56	RA5P	AGRIC	open space exemption	\$402,000	\$199,554	\$1,103,000	\$1,103,000	50%	\$12,051	\$199,554

OPEN SPACE EXEMPTION ASSESSED VALUES FOR PROPERTIES IN ISSAQUAH CREEK BASIN 2011												
Pin	SqFtLot	Acres	Current Zoning	Current Use Designation	Tax_Val_Reason	Appraised Land Value	Taxable Land Value	Appraised Imps Value	Taxable Imps Value	Taxable Residual %	Residual/Acre	Weighted Residual/Acre
2623069018	1,656,587	38.03	RA5	DSFRS	open space exemption	\$324,000	\$48,309	\$0	\$0	15%	\$1,270	\$48,309
3423069092	1,331,194	30.56	RA5	DSFRS	open space exemption	\$445,000	\$3,702	\$0	\$0	1%	\$121	\$3,702
2723069011	1,056,766	24.26	RA5	DSFRS	open space exemption	\$379,000	\$3,288	\$0	\$0	1%	\$136	\$3,288
2723069143	936,104	21.49	RA5	DSFRS	open space exemption	\$364,000	\$111,255	\$0	\$0	31%	\$5,177	\$111,255
2723069144	902,128	20.71	RA5	DSFRS	open space exemption	\$360,000	\$2,877	\$0	\$0	1%	\$139	\$2,877
3423069098	469,577	10.78	RA5	DSFRS	open space exemption	\$274,000	\$82,907	\$0	\$0	30%	\$7,691	\$82,907
1423069203	217,800	5.00	RA5	DSFRS	open space exemption	\$210,000	\$685	\$0	\$0	0%	\$137	\$685
1423069205	216,058	4.96	RA5	DSFRS	open space exemption	\$209,000	\$685	\$0	\$0	0%	\$138	\$685
1423069206	178,160	4.09	RA5	DSFRS	open space exemption	\$199,000	\$548	\$0	\$0	0%	\$134	\$548
1423069180	217,800	5.00	RA5	DSFRS	open space exemption	\$189,000	\$74,685	\$45,000	\$45,000	40%	\$14,937	\$74,685
1423069043	105,851	2.43	RA5	DSFRS	open space exemption	\$168,000	\$104,137	\$289,000	\$289,000	62%	\$42,855	\$104,137
2723069016	1,443,578	33.14	RA5	DSFRS	open space exemption	\$388,000	\$122,110	\$648,000	\$648,000	31%	\$3,685	\$122,110
3423069052	871,358	20.00	RA5	DSFRS	open space exemption	\$324,000	\$119,717	\$967,000	\$967,000	37%	\$5,985	\$119,717
1723069017	1,726,282	39.63	RA5	DSFRS	open space exemption	\$511,000	\$126,932	\$998,000	\$998,000	25%	\$3,203	\$126,932

OPEN SPACE EXEMPTION ASSESSED VALUES FOR PROPERTIES IN ISSAQUAH CREEK BASIN 2011												
Pin	SqFtLot	Acres	Current Zoning	Current Use Designation	Tax_Val_Reason	Appraised Land Value	Taxable Land Value	Appraised Imps Value	Taxable Imps Value	Taxable Residual %	Residual/Acre	Weighted Residual/Acre
2924079062	595,030	13.66	RA5SO	FOREST	open space exemption	\$301,000	\$1,519	\$0	\$0	1%	\$111	\$1,519
0622079049	354,578	8.14	RA5	FOREST	open space exemption	\$253,000	\$1,408	\$0	\$0	1%	\$173	\$1,408
2523069153	224,334	5.15	RA5	FOREST	open space exemption	\$157,000	\$685	\$0	\$0	0%	\$133	\$685
8646000130	216,058	4.96	RA5	FOREST	open space exemption	\$157,000	\$680	\$0	\$0	0%	\$137	\$680
1224069026	147,232	3.38	RA5P	FOREST	open space exemption	\$272,000	\$411	\$0	\$0	0%	\$122	\$411
0122069063	687,376	15.78	RA5	FOREST	open space exemption	\$403,000	\$117,941	\$61,000	\$61,000	29%	\$7,474	\$117,941
2924079015	609,046	13.98	RA5SO	FOREST	open space exemption	\$357,000	\$120,644	\$101,000	\$101,000	34%	\$8,629	\$120,644
0522079032	435,600	10.00	RA5	FOREST	open space exemption	\$342,000	\$130,169	\$187,000	\$187,000	38%	\$13,017	\$130,169
1924079050	381,150	8.75	RA5P	FOREST	open space exemption	\$211,000	\$112,928	\$244,000	\$244,000	54%	\$12,906	\$112,928
0622079067	429,066	9.85	RA5	FOREST	open space exemption	\$253,000	\$109,291	\$245,000	\$245,000	43%	\$11,096	\$109,291
2924079060	261,360	6.00	RA5SO	FOREST	open space exemption	\$229,000	\$130,754	\$259,000	\$259,000	57%	\$21,792	\$130,754
8646000030	271,379	6.23	RA5	FOREST	open space exemption	\$220,000	\$122,548	\$486,000	\$486,000	56%	\$19,671	\$122,548

OPEN SPACE EXEMPTION ASSESSED VALUES FOR PROPERTIES IN ISSAQUAH CREEK BASIN 2011													
Pin	SqFt/Lot	Acres	Current Zoning	Current Use Designation	Tax_Val_Reason	Appraised Land Value	Taxable Land Value	Appraised Imps Value	Taxable Imps Value	Taxable Residual %	Residual/Acre	Weighted Residual/Acre	
0622079127	447,361	10.27	RA5	GREEN	open space exemption	\$315,000	\$31,500	\$0	\$0	10%	\$3,067	\$31,500	
2223069060	437,375	10.04	RA5	GREEN	open space exemption	\$260,000	\$182,000	\$0	\$0	70%	\$18,126	\$182,000	
2523069154	263,102	6.04	RA5	GREEN	open space exemption	\$162,000	\$101,250	\$0	\$0	63%	\$16,763	\$101,250	
1923069004	239,144	5.49	RA5	GREEN	open space exemption	\$153,000	\$63,648	\$0	\$0	42%	\$11,593	\$63,648	
1423069137	220,414	5.06	RA5	GREEN	open space exemption	\$41,000	\$8,200	\$0	\$0	20%	\$1,621	\$8,200	
1222069145	217,800	5.00	RA5	GREEN	open space exemption	\$240,000	\$114,720	\$0	\$0	48%	\$22,944	\$114,720	
2424069022	217,364	4.99	RA5P	GREEN	open space exemption	\$303,000	\$90,900	\$0	\$0	30%	\$18,216	\$90,900	
8646000050	216,493	4.97	RA5	GREEN	open space exemption	\$157,000	\$58,900	\$0	\$0	37%	\$11,888	\$58,900	
1324069020	200,811	4.61	RA5P	GREEN	open space exemption	\$259,000	\$76,664	\$0	\$0	30%	\$16,630	\$76,664	
2323069028	189,486	4.35	RA5	GREEN	open space exemption	\$144,000	\$28,800	\$0	\$0	20%	\$6,621	\$28,800	
1423069165	155,945	3.58	RA5	GREEN	open space exemption	\$87,000	\$17,400	\$0	\$0	20%	\$4,860	\$17,400	
6646000050	54,502	1.25	C-REC	GREEN	open space exemption	\$24,000	\$2,400	\$0	\$0	10%	\$1,918	\$2,400	
1423069166	46,174	1.06	RA5	GREEN	open space exemption	\$46,000	\$7,200	\$0	\$0	16%	\$6,792	\$7,200	
1424069071	43,560	1.00	RA5P	GREEN	open space exemption	\$8,000	\$1,600	\$0	\$0	20%	\$1,600	\$1,600	
1523069230	35,544	0.82	RA5	GREEN	open space exemption	\$138,000	\$27,600	\$0	\$0	20%	\$33,874	\$27,600	
0622079072	395,089	9.07	RA5	GREEN	open space exemption	\$268,000	\$122,208	\$10,000	\$10,000	46%	\$13,474	\$122,208	
3424069203	249,538	5.73	RA5	GREEN	open space exemption	\$185,000	\$55,500	\$14,000	\$14,000	30%	\$9,686	\$55,500	
3424069019	78,843	1.81	RA5	GREEN	open space exemption	\$370,000	\$111,000	\$18,000	\$18,000	30%	\$61,326	\$111,000	
0722079003	497,010	11.41	RA5	GREEN	open space exemption	\$334,000	\$249,500	\$67,000	\$67,000	73%	\$21,867	\$249,500	
3523069005	429,937	9.87	RA5	GREEN	open space exemption	\$232,000	\$64,960	\$71,000	\$71,000	28%	\$6,582	\$64,960	
0622079004	327,571	7.52	RA5	GREEN	open space exemption	\$253,000	\$91,080	\$78,000	\$78,000	36%	\$12,132	\$91,080	
0622079040	204,296	4.69	RA5	GREEN	open space exemption	\$206,000	\$98,880	\$79,000	\$79,000	48%	\$21,083	\$98,880	
0622079039	149,377	3.41	RA5	GREEN	open space exemption	\$348,000	\$100,572	\$85,000	\$85,000	29%	\$7,974	\$100,572	
2424069036	166,399	3.82	RA5P	GREEN	open space exemption	\$287,000	\$89,544	\$95,000	\$95,000	31%	\$23,441	\$89,544	
1523069231	43,813	1.01	RA5	GREEN	open space exemption	\$174,000	\$105,792	\$106,000	\$106,000	61%	\$105,181	\$105,792	
1523069030	598,205	13.73	RA5	GREEN	open space exemption	\$271,000	\$148,600	\$109,000	\$109,000	55%	\$10,821	\$148,600	
3623069040	348,480	8.00	RA5	GREEN	open space exemption	\$199,000	\$99,132	\$123,000	\$123,000	47%	\$11,642	\$99,132	
3424069257	212,572	4.88	RA5	GREEN	open space exemption	\$312,000	\$135,096	\$126,000	\$126,000	43%	\$27,694	\$135,096	
0122069079	205,074	4.71	RA5	GREEN	open space exemption	\$234,000	\$142,272	\$129,000	\$129,000	61%	\$30,220	\$142,272	
2523069152	182,516	4.19	RA5	GREEN	open space exemption	\$178,000	\$76,540	\$130,000	\$130,000	13%	\$18,267	\$76,540	
0622079011	272,250	6.25	RA5	GREEN	open space exemption	\$253,000	\$90,068	\$133,000	\$133,000	36%	\$14,411	\$90,068	
2223069023	200,376	4.60	RA5	GREEN	open space exemption	\$205,000	\$118,900	\$145,000	\$145,000	58%	\$25,848	\$118,900	
1423069068	360,676	8.28	RA5	GREEN	open space exemption	\$200,000	\$113,000	\$168,000	\$168,000	57%	\$13,647	\$113,000	
1924079037	260,924	5.99	RA5P	GREEN	open space exemption	\$209,000	\$156,332	\$175,000	\$175,000	75%	\$26,099	\$156,332	
3024079002	188,614	4.33	RA2.5	GREEN	open space exemption	\$210,000	\$147,000	\$181,000	\$181,000	70%	\$33,949	\$181,000	
0622079106	296,208	6.80	RA5	GREEN	open space exemption	\$261,000	\$161,820	\$183,000	\$183,000	62%	\$23,797	\$161,820	
1823069035	208,216	4.78	RA5	GREEN	open space exemption	\$209,000	\$107,426	\$183,000	\$183,000	51%	\$22,474	\$183,000	
0622079113	967,032	22.20	RA5	GREEN	open space exemption	\$450,000	\$113,850	\$184,000	\$184,000	25%	\$5,108	\$113,850	
1222069144	237,400	5.45	RA5	GREEN	open space exemption	\$247,000	\$129,922	\$187,000	\$187,000	33%	\$23,839	\$129,922	
3523069084	217,800	5.00	RA5	GREEN	open space exemption	\$215,000	\$123,625	\$193,000	\$193,000	58%	\$24,725	\$193,000	
1423069123	341,510	7.84	RA5	GREEN	open space exemption	\$120,000	\$107,020	\$199,000	\$199,000	57%	\$13,765	\$107,020	
0822079038	351,093	8.06	F	GREEN	open space exemption	\$131,000	\$144,840	\$208,000	\$208,000	68%	\$17,970	\$144,840	
3523069139	155,073	3.56	RA5	GREEN	open space exemption	\$189,000	\$118,125	\$213,000	\$213,000	63%	\$33,181	\$118,125	
1424069033	490,485	11.26	RA5P	GREEN	open space exemption	\$281,000	\$176,200	\$214,000	\$214,000	63%	\$15,648	\$214,000	
2623069095	416,869	9.57	RA5	GREEN	open space exemption	\$301,000	\$69,832	\$220,000	\$220,000	23%	\$7,297	\$69,832	
0522079039	217,800	5.00	RA5	GREEN	open space exemption	\$234,000	\$201,240	\$221,000	\$221,000	86%	\$40,248	\$201,240	
1124069079	34,412	0.79	SF-S	GREEN	open space exemption	\$241,000	\$114,576	\$224,000	\$224,000	50%	\$145,038	\$114,576	
0522079040	217,800	5.00	RA5	GREEN	open space exemption	\$240,000	\$90,240	\$227,000	\$227,000	39%	\$18,048	\$90,240	
0723069164	271,720	5.09	RA5	GREEN	open space exemption	\$209,000	\$66,880	\$228,000	\$228,000	32%	\$13,140	\$66,880	
2323069012	492,228	11.30	RA5	GREEN	open space exemption	\$222,000	\$127,600	\$250,000	\$250,000	57%	\$11,292	\$127,600	
1823069018	247,798	5.69	RA5	GREEN	open space exemption	\$223,000	\$99,904	\$252,000	\$252,000	45%	\$17,562	\$99,904	
1023069018	521,849	11.98	RA5	GREEN	open space exemption	\$274,000	\$122,752	\$258,000	\$258,000	45%	\$10,246	\$122,752	
0522079046	164,656	3.78	RA5	GREEN	open space exemption	\$213,000	\$163,797	\$280,000	\$280,000	77%	\$43,333	\$163,797	
0823069043	103,237	2.37	RA5	GREEN	open space exemption	\$168,000	\$57,792	\$295,000	\$295,000	34%	\$24,389	\$57,792	
1424069004	378,536	8.69	RA5P	GREEN	open space exemption	\$268,000	\$143,648	\$303,000	\$303,000	54%	\$16,530	\$143,648	
1324069019	507,474	11.65	RA5P	GREEN	open space exemption	\$284,000	\$93,152	\$305,000	\$305,000	33%	\$7,996	\$93,152	
1423069172	242,629	5.57	RA5	GREEN	open space exemption	\$226,000	\$84,976	\$331,000	\$331,000	38%	\$15,256	\$84,976	
1423069014	217,800	5.00	RA5	GREEN	open space exemption	\$231,000	\$120,120	\$345,000	\$345,000	52%	\$24,024	\$120,120	
0622079118	547,549	12.57	RA5	GREEN	open space exemption	\$307,000	\$141,400	\$350,000	\$350,000	46%	\$11,249	\$141,400	
2523069093	214,751	4.93	RA5	GREEN	open space exemption	\$205,000	\$133,250	\$360,000	\$360,000	65%	\$27,028	\$133,250	
1423069176	217,800	5.00	RA5	GREEN	open space exemption	\$231,000	\$122,892	\$363,000	\$363,000	53%	\$24,878	\$122,892	
0323069007	250,470	5.75	RA5	GREEN	open space exemption	\$233,000	\$131,645	\$385,000	\$385,000	57%	\$22,895	\$131,645	
3124079120	219,106	5.03	RA2.5	GREEN	open space exemption	\$117,000	\$172,000	\$395,000	\$395,000	79%	\$34,193	\$172,000	
5024079001	436,471	10.02	RA10	GREEN	open space exemption	\$283,000	\$104,144	\$410,000	\$410,000	37%	\$10,394	\$104,144	
1523069176	217,800	5.00	RA5	GREEN	open space exemption	\$199,000	\$81,192	\$458,000	\$458,000	41%	\$16,238	\$81,192	
1424069032	679,924	15.61	RA5P	GREEN	open space exemption	\$505,000	\$165,000	\$574,000	\$574,000	54%	\$10,571	\$165,000	
1623069004	218,671	5.02	RA5	GREEN	open space exemption	\$174,000	\$127,890	\$548,000	\$548,000	74%	\$25,476	\$127,890	
1723069023	747,706	17.16	RA5	GREEN	open space exemption	\$352,000	\$210,496	\$621,000	\$621,000	60%	\$12,263	\$210,496	
1723069012	823,284	18.90	RA5	GREEN	open space exemption	\$335,000	\$131,320	\$1,117,000	\$1,117,000	39%	\$6,948	\$131,320	
1023069019	503,989	11.57	RA5	GREEN	open space exemption	\$325,000	\$145,600	\$1,148,000	\$1,148,000	45%	\$12,584	\$145,600	

ABILITY OF DESIGNATED SENDING SITE TDR AREAS TO MEET ALL POTENTIAL RECEIVING AREA INCREMENTAL FAR DEMAND											
Scenario	Inter-City TDRs Available	Issaquah Creek Basin TDRs Available	Total TDRs Available	Avg TDR Value	Receiving Site Value	Derived Transfer Rate	Total Bonus Density Achievable Thru TDR	Incremental BSF Range (from Exhibit M)		Increment Avail to be Earned Thru Non-TDR (Range)	
								Redev Land Only	All CIP Net Rowley	Redev Land Only	All CIP Net Rowley
Scenario 1 - Including Only TDRs in Basin to Maximize LCLIP - Assume 50% TDR Value at \$40K and 50% at \$130K - Receiving Site Value \$15	-	697	697	\$85,000	\$15	5,667	3,949,667	13,094,671	45,502,976	9,145,005	41,553,310
Scenario 2 - Including Only High Priority TDRs in Basin + 1/3rd Inter-City TDR - Assume 50% TDR Value at \$40K and 50% at \$130K - Receiving Site Value \$15	271	542	813	\$85,000	\$15	5,667	4,608,889	13,094,671	45,502,976	8,485,783	40,894,087
Scenario 3 - Including All TDRs in the Basin - Assume 50% TDR Value at \$40K and 50% at \$130K - Receiving Site Value \$15	814	1,376	2,190	\$85,000	\$15	5,667	12,410,000	13,094,671	45,502,976	684,671	33,092,976